

**CONSOLIDATING STRENGTHS.
BROADENING VISION.**

 **PARAMOUNT**
CABLES
Annual Report 2009-10

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



Contents

Corporate Information **01** Year Under Review **02** Letter from Chairman & CEO **10** Management Discussion and Analysis **12**
Notice **21** Directors' Report **28** Statement under Section 212 **34** Report on Corporate Governance **36** Auditors Report **49**
Standalone Financials and Notes to Accounts **53** Balance Sheet Abstract and Company's General Business Profile **77** Auditors
Report on Consolidated Financial Statements **78** Consolidated Financials and Notes to Accounts **79** Financials and Reports of
AEI Cables Ltd., United Kingdom **98** Financials and Reports of Paramount Holdings Ltd., Cyprus **114**

Corporate Information

BOARD OF DIRECTORS	Mr. Sanjay Aggarwal, Chairman and CEO Mr. Sandeep Aggarwal, Managing Director Mr. Satya Pal, Director Mr. S.P.S. Dangri, Director Mr. Vijay Bhushan, Director
REGISTERED OFFICE	C-125 Naraina Industrial Area, Phase-1, Naraina, New Delhi - 110 028, India Phone(s): +91-11-45618800, 900, +91-11-25897421-30 Fax: +91-11-25893719, 20 E-Mail: pcl@paramountcables.com Website: www.paramountcables.com
WORKS	Unit 1: SP-30A, SP-30B, E-31, SP-76 (Part), SP-77 and SP-77A, Khushkhera Industrial Area, Distt. Alwar, Rajasthan, India Unit 2: Plot No. 37, Industrial Estate, Dharuhera, Haryana, India
AUDITORS	Jagdish Chand & Co. Chartered Accountants, New Delhi, India
BANKERS	State Bank of India State Bank of Patiala Dena Bank Standard Chartered Bank ICICI Bank Limited Yes Bank Limited Barclays Bank PLC The Hongkong and Shanghai Banking Corporation Limited
REGISTRAR & SHARE TRANSFER AGENTS	M/s. Link Intime India Private Limited A-40 Naraina Industrial Area, Phase-II, New Delhi - 110 028, India Phone No: +91-11-51410592-594(3 Lines) Fax No.: +91-11-51410591
CHIEF COMPLIANCE OFFICER	Mr. Ratan Aggarwal
KEY MANAGEMENT PERSONNEL	<ol style="list-style-type: none"> 1. Manmeet Singh Anand - Head - Business Development 2. Ratan Aggarwal - CFO & Company Secretary 3. D. S. Muchhal - President Operations (Dharuhera unit) 4. G. D. Singh - President Operations (Khushkhera unit) 5. Ravi Prakash Gupta - Vice President (Commercial) 6. R. K. Marwah - Vice President (Technical) 7. S. K. Suri - General Manager (Marketing) 8. N. K. Gupta - General Manager (Accounts & Finance) 9. R. S. Vohra - General Manager (Quality) 10. Kailash Pareek - Sr. Deputy General Manager-Marketing 11. Sumer Misri - Deputy General Manager-Marketing 12. Rajeev Gupta - Deputy General Manager-Marketing 13. Sanjay Gupta - Deputy General Manager-Commercial (Khushkhera unit) 14. B. P. Bhardwaj - Deputy General Manager-Commercial (Dharuhera unit) 15. R. Gourinath - Assistant General Manager-Marketing 16. Arvind Gupta - Assistant General Manager-Production Planning (Khushkhera unit) 17. Mr. S. L. Vaishya - Assistant General Manager-Production Planning (Dharuhera unit) 18. Ajay Dhar - Assistant General Manager-EDP & IT 19. Amit Gupta - Chief Manager (Legal Affairs) & Dy. Company Secretary 20. R. S. Tanwar - Chief Manager-Marketing 21. Ashwani Chadha - Chief Manager-Design

Year Under Review 2009-2010





Consolidating strengths. Broadening vision.

A year of consolidation of the existing nucleus of our deep-rooted strengths, defined by strategic augmentation of our associations and focused enhancement of our skills.

A period of innovative engineering and pioneering development, characterized by new additions to our exhaustive range of specialized and revolutionary offerings.

That was 2009-10 for Paramount Cables. A year where we mapped out our future strategy by broadening the frontiers of our vision.



As we moved forward to service next-generation cabling requirements, we embarked on a journey that extended beyond the tradition.

With a robust business model and the exceptional acumen of our people, we focused our energies towards unfolding opportunities in new arenas of growth.

Revolutionizing cabling technology to meet niche and specialized global needs, we engaged ourselves in delivering high-end supply cables to help us build the next generation of aircraft carriers for the British Naval fleet.

Investing significantly into our strategic acquisition, we strived to further consolidate the gains secured through our UK subsidiary, AEI Cables.

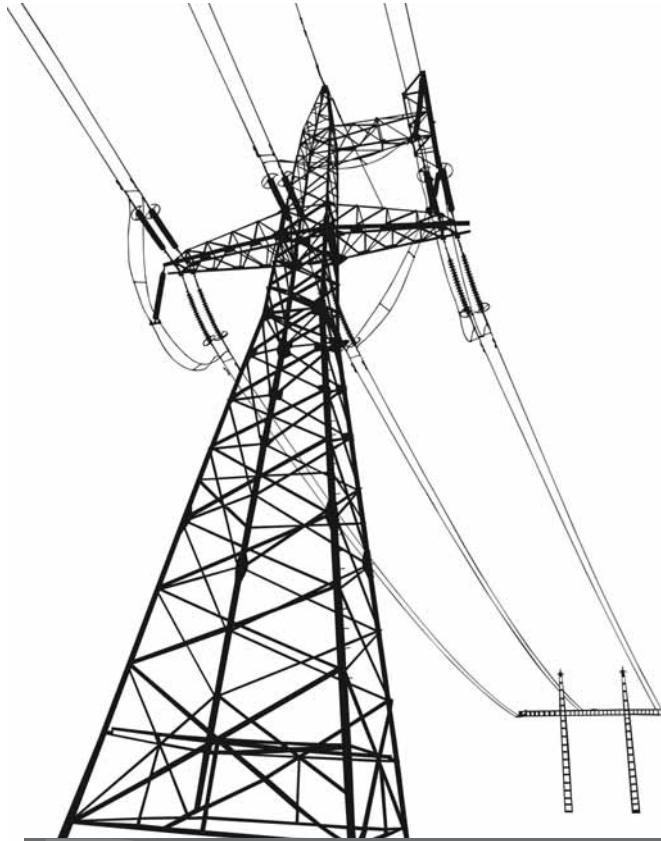
Foraying into the fast-growing domestic retail Copper Flexible and Building wires segment, we opened a new chapter in specialized cable manufacturing with India's first non-toxic wires.

Leveraging our long-standing presence and excellent track-record, we explored opportunities to strengthen our operations, particularly in the Power sector.

Capitalizing on our deep-rooted expertise and long-standing experience, we endeavored to deliver excellence in quality and performance across our business modules.

Honing our capabilities in high-end manufacturing, we successfully developed products that would deliver the best value to our customers and all our stakeholders.





Pioneering a new revolution in cables

Our mission and driving force

- To empower the nation by servicing every cabling and wiring need of its people, economic sectors and industries.
- To develop and strengthen the 'Paramount Cables' brand into a hallmark for the global cables industry.
- To set industry benchmarks in every area of our business, right from manufacturing, usage of modern technology and quality to safety, labour welfare, client servicing and transparent corporate governance policies.
- To adopt an environment-friendly growth policy and contribute meaningfully to the development of the society in the best possible manner.
- To deliver exceptional value to all stakeholders.

A DIVERSIFIED AND DE-RISKED BUSINESS MODEL

Primed to reach across frontiers and crafted to deliver value across sectors, Paramount Communications Ltd. (hereafter called the Company) is amongst the largest cable manufacturers in India.

With a diversified portfolio of products, servicing the core and prime infrastructure sectors of the economy, including power, telecom, construction, railways, defense, space research and industry, the Company specializes in offering custom-made specialty cables developed through strong in-house R&D, sound engineering practices, comprehensive design and

development skills, exhaustive manufacturing capacities and robust technological prowess.

Established in 1955, Paramount has since emerged as the first and only cables MNC in the Indian cable industry with a diverse and flexible product mix designed to meet expanding market requirements.

Part of the Paramount group of companies, Paramount Communications Ltd. has versatile multi-product manufacturing capabilities designed to meet all our customer requirements. Servicing the cabling needs of all the major infrastructure segments, the Company specializes in

Telecommunications, railways, power, construction and space research to thermal and nuclear power plants, petrochemical, fertilizers, steel, electronics and various other industries.



customisation of cables for use in the most hazardous environments. Paramount is also the only vendor in the country with almost zero rejection rates for Axle Counter cables.

Paramount's UK subsidiary, AEI Cables is one of the world's oldest cable companies, which is credited with creating the foundations of modern communication through the manufacture and laying of the first sub-sea telegraph cable to India through the Persian Gulf in 1863.

OUR EXTENSIVE MANUFACTURING FACILITIES

International grade, state-of-the-art facilities that are equipped with the best-in-class machinery to manufacture virtually every type of cable, has led to Paramount becoming a preferred choice for its Indian and global customers.

Listed on both BSE and NSE, Paramount has two world-class manufacturing plants located at Khushkhera, Rajasthan and Dharuhera, Haryana besides AEI's manufacturing facilities at Birtley, England, to steer its manufacturing capacities to exceptional levels of growth.

Endorsing their world-class stature, both the manufacturing units in India have been awarded ISO 9001:2008 and ISO 14001:2004 certification by SMR International Certifications, South Korea, for the complete range of cables manufactured by Paramount. The plants are fully equipped with the latest

machinery and high-end testing equipment to ensure supreme quality and reliability of all Paramount products.

The Khushkhera complex has a state-of-the-art facility to manufacture a wide range of Optical Fibre Cables (OFC) and has now been installed with a Copper Flexible and Building wires manufacturing unit to cater the growing domestic market. The Company has recently forayed into the Copper Flexible and Building wires segment with an extensive range of cables and offers an environment-friendly Lead Free, Zero Halogen, Low Smoke option, the most superior fire performance product in the Indian market today.

OUR WIDE SPECTRUM OF PRODUCT OFFERINGS

Every type of cable to meet every kind of need. That is the foundation on which Paramount's spectrum of product offering is built, an offering as diverse as the fast-growing sectors which the Company serves – from telecommunications, railways, power, construction and space research to thermal and nuclear power plants, petrochemical, fertilizers, steel, electronics and various other industries.



Consolidating strengths. Broadening vision.

Paramount's range of product offerings across its key segments includes:



Power

- High Tension (HT) and Low Tension (LT) Power Cables
 - Aerial Bunch Cables (ABC)
 - Control and Instrumentation Cables
- Thermocouple Extension and Compensating Cables
 - Fire Resistant Low Smoke Cables



Railways

- Signalling Cables
- Axle Counter Cables

OUR GLOBAL CLIENT PORTFOLIO

A growing clientele spanning government and public sector enterprises, along with major private sector players, bear testimony to the Company's quality levels, within India and across the globe.

Paramount has an impressive client portfolio that includes top-notch public sector organizations in India, such as NTPC, BHEL, PGCIL, BSES Rajdhani Power Ltd., BSES Yamuna Power Ltd., L & T, Reliance Energy Ltd., Reliance Industries Ltd, Siemens, BSNL, MTNL, Essar Oil, Essar Steel, Indian Railways.

The Company also services global clients across 20 countries, including Russia, UK, Ukraine, Sri Lanka, Kenya, Jordan, Iraq, Tanzania & Qatar. The Company has two wholly owned subsidiaries – Paramount Holdings Ltd., Cyprus and AEI Cables Ltd., Birtley, UK.

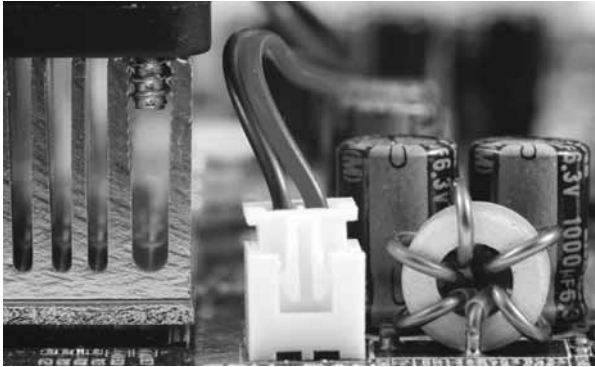
OUR QUALITY AND RELIABILITY ASSURANCE

Emphatic focus on manufacturing excellence, technological

advancement and customer satisfaction endorse the Company's quality hallmarks across the value chain of its offerings. The Company has stringent in-house process controls and quality assurance experts to enable timely delivery of quality products. The manufacturing process of Paramount cables is subjected to a high level of scrutiny at every stage - right from the procurement of raw materials till the final dispatch of the finished goods, ensuring reliability of the highest order.

Paramount was the first Company to be awarded the National Entrepreneurship Award 1984, by the President of India for outstanding achievement in the field of Wire and Cable Manufacturing. Other awards such as the IMM Marketing Gold Award in 1992 and the AIMO Visvesvaraya Entrepreneurship Award in 1994 also underline the Company's quality credentials.

The Company's products meet technological parameters and specifications of prestigious national and international agencies, with major accreditations and approvals from its clients a significant value-addition for its quality hallmark. Paramount's long track record and ability to service client needs



Telecom

- Jelly Filled Telephone Cables (JFTC)
 - Optical Fibre Cables (OFC)
- Installation Cables for Electronic Exchanges
 - Hook-up / Jumper / Drop wire



Our nucleus of strengths

- De-risked business model ■ Versatile manufacturing base
 - Diversified product portfolio ■ Presence across key economic sectors
 - Offering one-stop solutions
 - Strong R&D capabilities ■ Quality commitment

efficiently has made it the vendor of choice to its prestigious customers.

Indian Specifications

Paramount has been approved by the Bureau of Indian Standards to mark its cables with ISI product certification, namely IS 7098 Part 1 and Part 2 (LT 1.1 KV and from 3.3 KV to 33 KV HT XLPE Power Cables), IS 14255 (1.1KV Aerial Bunch Cables), IS 694 (for light duty PVC Cables) and IS 1554 Part I (1.1 KV heavy duty armoured and unarmoured cables including control cables). Paramount manufactures cables as per Bureau of Indian Standards (BIS), Indian Railway Specifications (IRS), Indian Telecom Department (ITD), Telecom Engineering Centre (TEC) and Engineers India Ltd. (EIL) etc.

International Specifications

All Paramount units have been awarded ISO 9001:2008 and ISO 14001:2004 Certifications. Paramount has also been approved by British Approvals Service for Cables (BASEC). Paramount manufactures cables as per British Standard Specifications

(BSS), American Standard for Testing Methods (ASTM), International Electro Technical Committee Specifications (IEC), Vereinigte Deutsche Elektrotechniker (VDE), Deutsches Institut für Normung e. V. (DIN), International Electrotechnical Committee Specifications (IEC), Japanese Industrial Standards (JIS), French Standards (NFC) and Russian Standards (GOST) etc.



Paramount has been awarded the most prestigious certifications for its high quality products

Letter from the Chairman & CEO

“Aligning itself with the prevailing global economic environment, your Company made the most of the challenges posed by the fiscal 2009-10 by reorienting its business strategy and restructuring its organizational systems to enable better consolidation of its existing strengths and to broaden the frontiers of its vision for the future.”

Sanjay Aggarwal, Chairman & CEO



Dear Shareholders,

Challenges steer an organization's strategy more effectively than anything else. The developments of the recent months bear ample testimony to this reality of today's business world, which is striving to consolidate itself post the recessionary turmoil of 2008-09.

Aligning itself with the prevailing global economic environment, your Company made the most of the challenges posed by the fiscal 2009-10 by reorienting its business strategy and restructuring its organizational systems to enable better consolidation of its existing strengths and to broaden the frontiers of its vision for the future.

It was a time for us to look at prudent reorganization of our business model to make it more competent to the changing needs of our diversified customers around the nation and around the world.

FINANCIAL PERFORMANCE

Faced with the challenges of a recessionary environment, coupled with decreased demand, steep decline in major input prices and increasing competition, the Company found its financial performance severely impacted during the year.

The combined effect of these negative factors was felt on the sales turnover of your Company, which declined by nearly 25 percent and stood at Rs. 368.55 crores for the year ended 31st March, 2010. However, on the positive side, we were able to overcome a substantial chunk of our operational losses by successfully reducing our Foreign Currency Convertible Bonds (FCCBs) liability by repurchasing them at a discount and thereby gaining profit. From a scenario of negative profitability, the Company managed to generate a marginal net profit of Rs. 62.8 lakhs as against a loss of Rs. 29.36 crores during the previous year, 2008-09.

On a consolidated basis, the Company's turnover stood lower by about 15 percent at 702.38 crores for the year ended 31st March, 2010.

KEY CHALLENGES

As in the previous years, volatility in raw material prices, namely copper, aluminum, plastics and steel used in the manufacture of cables, continued to impact profitability, along with the recessionary environment. But prudent leveraging of our inherent strengths, coupled with our technological and manufacturing prowess, enabled us to tackle these challenges efficaciously and to significantly minimize their negative impact.

Even as we took prudent fiscal measures to check the negative growth, we concurrently also focused our strategy on broadening our product and market portfolio in order to leverage the opportunities in some of the fastest-growing segments of the economy, both within and outside India.

GARNERING THE INFRASTRUCTURE GROWTH POTENTIAL

Growth in infrastructure has driven the demand for cables in India almost as starkly as it has boosted the growth in economy. For Paramount too, infrastructural development continued to be a key growth driver during the year.

Power and Railway cables constituted approximately 87 percent of the total gross turnover of the Company for the year 2009-10.

The Power sector in particular has been a key source of revenue generation for your Company, which has been striving to make the most of the anticipated demand for power cables through a focused strategy of entrenching itself firmly in this pivotal infrastructural growth segment.

Let me share with you here the various measures we have initiated to leverage the opportunities in this segment is to target better growth in the future.

The thrust during the year was on expansion of operations on the strength of our long presence and excellent track-record with various prestigious customers.

Having earlier made the most of the pre-recession positive environment to expand our capacities to tap the demand for LT and HT power cables as well as Copper Flexible and Building

wires, we are now making the best of efforts to expand our marketing network in domestic and international markets. Personally, I feel this is the most opportune period for us to consolidate and expand our presence in the Power sector, along with Railways and Telecom.

Needless to say, fully cognizant of the unfolding potential in these sectors, we have identified them as ideally poised to take a big leap on account of the current reforms process and the incentives undertaken by the Indian government to give a boost of these segments of the Indian economy.

The Indian Railways are also expected to generate good business for your Company on account of the upgradation and modernization plans initiated, while the Telecom sector, which has emerged as a key sector of growth, is expected to boost demand for OFC cables in the coming year.

Your Company, let me assure you, is sufficiently equipped, in terms of both machinery and manpower, to meet this growing demand.

GARNERING THE DOMESTIC MARKET POTENTIAL

As you are probably aware, the launch of Copper Flexible and Building wires marked a major development in the Company's diversified growth trajectory during the fiscal under review. The Company forayed into this fast-growing market segment with a range of cables that also includes environment-friendly Lead Free, Fire Retardant, Heat Resistant, Zero Halogen and Low Smoke options.

Launched initially in the North Indian region, Paramount Copper Flexible and Building wires are expected to be a key revenue source for the Company going forward.

A logical extension of our industrial cables business, I am confident that this foray, on the back of an excellent product offering, differentiated positioning and an established dealer and distributor network in North India, will add significantly to your Company's profitability going ahead and help us create a niche for ourselves in this specialized segment.

GARNERING THE EXPORT MARKET POTENTIAL

Unfortunately, the global financial meltdown and recession hit the Company's export market substantially during 2009-10. But with the global market on the path to recovery, international business is expected to stabilize in the coming years.

The financial year 2009-10 saw the Company's wholly owned subsidiary AEI Cables Limited procure a prestigious £8 million (Rs. 58 crores approx.) contract to supply cables to help build the next generation of aircraft carriers for British Navy fleet-the largest ships to enter service in the UK. The Aircraft Carrier Alliance awarded the landmark contract to the Company's

subsidiary AEI Cables, based at Birtley, UK, for the Royal Navy Queen Elizabeth Class Aircraft Carrier Programme. The award of this contract for such a high-importance project recognizes the technical expertise and manufacturing capability of the Company's subsidiary as their products are required to meet the very highest levels of quality and safety standards.

This is indeed a major achievement for your Company, which is targeting substantial growth in its export business by catering to worldwide export markets through AEI Cables.

FUTURE FORWARD

As mentioned earlier, the last couple of years have been extremely challenging for your Company. However, our excellent track record in nurturing long-standing relationships with our prestigious government and private customers, along with our multi-swing versatile manufacturing facilities, enhanced capacities and comprehensive R&D capabilities, have enabled us to tackle these challenges to not only maintain our leadership position in some of the key segments of cable supply but in fact to broaden our vision for the future, within and outside India.

As the Indian and global economies get back on track towards bigger and better growth, the opportunities that are emerging for the cable industry are in abundance. Your Company, I am proud to say, is ideally positioned to make the most of these unfolding opportunities through its one-stop service window of cable products and services.

The revival of the industry has already begun after a period of worrying slowdown and we are all geared up to leverage our inherent strengths in order to surge forward towards a better future for the Company.

In conclusion, I take this opportunity to thank all members of the organization, and each of its stakeholder, for your cooperation through these challenging times. The scenario for the future, as I see ahead, seems better than it has been in the last couple of years. Your unwavering faith and unstinting support serves as a powerful and continuing source of encouragement for us as we move on to what, decidedly, looks like better times for all of us.

Yours sincerely,

Sanjay Aggarwal
Chairman & CEO



Management Discussion and Analysis



Consolidating strengths. Broadening vision.



Paramount Communications Ltd. along with its wholly owned subsidiary AEI Cables Ltd., United Kingdom, ranks amongst the top five cable manufacturers of the country.

Paramount Communications Ltd. (herein after referred to as 'Paramount' or 'The Company') along with its wholly owned subsidiary AEI Cables Ltd, United Kingdom, ranks amongst the top five cable manufacturers of the country. With an illustrious legacy spanning 6 decades, the Company addresses the cabling needs of almost all sectors of the economy – infrastructure, power, telecommunications, railways, space research, thermal & nuclear power plants, petrochemical, fertilizers, steel, electronics and various other industries.

Armed with a long and successful track-record of supplying various types of specialised cables to institutional customers, Paramount has now strategically forayed into servicing the retail sector with domestic cables and wires used by the fast growing realty sector.

Paramount's range of product offerings across its key segments includes:

- Power segment: Low Tension & High Tension power cables, Aerial Bunch Cables (ABC), Control & Instrumentation Cables, Thermocouple Extension & Compensating cables, Fire Resistant Low Smoke Cables.
- Railways: Signaling Cables, Axle Counter Cables.
- Telecom: Jelly Filled Telephone Cables (JFTC), Optical Fibre Cables (OFC), Installation Cables for Electronic Exchanges, Hook-up / Jumper / Drop wire.

Besides manufacturing a variety of specialised cables for niche industrial and research applications, the Company is also credited with pioneering critical initiatives in the cable industry such as introducing for the first time in India, non-toxic, lead free wires - a feat achieved through technical assistance from AEI, a pioneer in the global electrical wiring market.

An ongoing commitment where both Paramount and AEI working closely, strive to add further impetus to the Group by strengthening each other's product portfolio and expertise.

The Company has two manufacturing plants located in Khushkhera, Rajasthan, India and Dharuhera, Haryana, India, besides AEI's manufacturing facilities at Birtley, Durham in the UK.

OVERALL REVIEW

The fiscal year 2009-10 saw the global economic recovery evolve far better than expected. Economic growth recovered at varying speeds across the globe. Economic growth was tepid in many advanced economies but far more robust in most emerging and developing economies. Policy support provided the required growth stimulus to economies in deep downturn and pushed them into recovery mode.

Among advanced economies, the United States was off to a better start than Europe and Japan. Among emerging and developing economies, emerging Asia is in the lead. In fact, the global economic power balance is shifting in favour of developing and emerging economies. A recent report released by the Organisation for Economic Cooperation and Development, predicts that China and India will be the key drivers of this economic power shift, with their per capita incomes growing at three to four times the OECD average during the past decade. The report forecasts that, by 2030, China and India are likely to represent nearly 60 percent of world gross domestic product.

The Indian Perspective

Aided by a spectacular performance by the industrial and services sectors in the January-March 2010 quarter, India's overall GDP clocked 7.4 percent in 2009-10. The manufacturing sector grew 10.8 percent to 3.2 percent, while mining and quarrying grew 10.6 percent to 1.6 percent.

India's economic fundamentals are strong, giving rise to a well grounded optimism for medium and long-term prospects. India enjoys relatively high savings and investment rates which would sustain a high growth momentum in the coming decades. India's savings and investment rate is a healthy 35 percent of GDP, second only to China's over 40 percent.

Moving forward, it's a forecast that India's GDP growth will be 9 percent in 2010-11. Strong confidence prevails across the country and India's economic growth is expected to touch 10 percent in the next couple of years. It is even another forecast

says that India's growth may even beat China in the next four years. The Economist Intelligence Unit (a research arm of the Economist magazine) recently predicted that India will be the world's fastest growing economy by 2018.

However, India's quest for emerging as a superpower shall rely immensely on the country's ability to build better infrastructure and be self-reliant in terms of energy generation and power distribution. It is estimated that to sustain a growth rate of 9 percent, the investment in infrastructure will have to be in tune of USD 1 trillion over the next five years.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Though the economy witnessed signs of revival, the cables and wires industry across the globe faced challenging times. As cautionary and tight-fisted approaches took precedence, long-term infrastructure plans were put on hold or delayed. Adverse economic conditions also hit the cables and wires industry in North America and Europe, although it is expected that the cables market in these regions will steadily improve in 2010-11.

The fiscal year 2009-10 did not augur well for the Indian cables industry. The trend of tapering off demand and slowdown in the cable industry was evident in 2008-09. India's overall electrical and electronics industry in 2008-09 clocked marginal growth of 2.75 per cent (in volume terms), as compared to 15 percent growth clocked during the previous financial year (2007-08). According to the data compiled by IEEMA, the overall growth for cables industry was a mere 4.5 percent during the financial year 2008-09 as against the growth of 16 percent during the previous fiscal year where the size of cables industry was Rs. 12,100 crores. This slow trend continued for a significant portion of the fiscal year 2009-10 as demand across the cable industry remained subdued and flat. Reduction in demand was mainly due to liquidity crunch faced by end-user sectors and resultant delay in implementation of both ongoing and new projects in the pipeline, all of which reduced demand for cables.

Thus, the financial year 2009-10 was challenging in terms of business growth for the cables and wires industry as a whole and the Company was no exception to the rule. High volatility in major input prices and stiff competition prevailing in the industry, added with wide availability of inferior, non-approved cables wiped off operational profitability and has resulted in losses, for the Company. However, this is a temporary phase and improvement due to anticipated demand for cables in the near future is expected.

Looking at the large-scale infrastructural investment plans, progress and revival across the industrial and transportation sector will lead to better growth prospects and thus, better times are forecast for the Indian cables industry.

OPPORTUNITIES AND THREATS

Paramount is focused on infrastructure, power generation and

distribution sectors, railways, industrial and construction sectors (civil and commercial).

Power Cables

Cables are a vital part of any project or electrical system and play a crucial part in all the three aspects of the power sector - generation, transmission and distribution.

Major users of power cables are broadly classified into: power sector - central, state and private electricity utilities and major industries such as petrochemicals, mining, steel/metallurgical, ship building, engineering, cement, railway, defence, etc.

A steady rise in electricity consumption, increasing industrialisation and fast development across even smaller tier III, tier IV cities and towns is generating further demand for electricity.

The Eleventh Plan target for the power sector aims to supply at least 1000 units of per capita electricity by year 2012. The Plan envisaged a capacity addition of 78,700 MW and nine ultra mega power projects of 4000 MW capacity. Rural electrification, a significant initiative by the Government, aims to provide access to electricity in remote regions of India. The Ministry of Power plans to establish an integrated National Power Grid by 2012 with close to 200,000 MW generation capacities and 37,700 MW of inter-regional power transfer capacity. The Government is also implementing the RGGVY (Rajiv Gandhi Grameen Vidyut Yojana) programme to electrify villages, that envisages spend of about Rs. 160 billion over the Eleventh Plan period.

Furthermore, the Government has restructured the APDRP programme (R-APDRP) with specific focus now on strengthening the transmission and substation network and reduce AT&C losses. The total spend is estimated to be Rs. 516 billion.

Taking into account these measures and budgetary allocation along with further provisions to strengthen India's power sector, it is estimated that the Government's total spending in the power sector will be in the range of Rs. 13-14 trillion over the next 7-8 years. Taking a conservative estimate, approximately Rs. 1.5-2 trillion of this expenditure would be on the acquisition of cables for these projects.

Paramount, with its long standing presence in the cables industry and its excellent track-record of servicing prestigious customers, is confident of capturing a share of the expanding industry. The Company has already expanded its capacities and is thus well geared to tap the demand for LT and HT power cables.

Railways

The Indian Railways aim to add 25,000 route kilometers by 2020 across India. The Railways currently have 64,015 route

Consolidating strengths. Broadening vision.

kilometers and have allocated Rs. 4,411 crores (as against Rs. 2,848 crores) for the construction of new lines. The Railway Budget for the year has outlined the development of high-speed dedicated passenger corridors. Such modernization and increase of railway lines generates demand for cables. With its ability to manufacture specialized railway signaling cables and axle counter cables and its resultant deep rooted presence in the railway cables sector, Paramount is equipped to garner the opportunities of this sector.

Telecommunication Cables

The Indian telecom market, led by the robust growth in mobile subscriber base, is one of the fastest growing in the world. Numerous applications like broadband services, Internet protocol virtual private network (IPVPN), wireless communications and security technologies are in turn generating demand for telecommunication cables.

India is ranked amongst the top 5 consumers of optical fibre cables, behind the US, China, Japan and Korea.

Telecommunication cables include mainly:

- Jelly filled Cables
- Optical Fibre Cables
- Aerial Cables

While the demand for Jelly Filled Telephone Cables (JFTC) is stagnant due to change in technology and increased use of optical fibre cables, PSUs such as MTNL, BSNL, Bharti Telecom etc. continue to use these cables.

Keeping in view the lowered demand for jelly-filled cables, Paramount has already developed capabilities to manufacture optical fibre cables.

Fibre-to-the-premises (FTTP), fibre-to-the-home (FTTH) and fibre-to-the-building (FTTB) applications are the driving forces behind the development of the fiber-optic cabling industry worldwide. A boom in this advanced technology sector is yet to be witnessed in India, and is anticipated in the coming years.

The telecom cabling industry did not see much recovery post-recession last year, mostly due to the pressing problems of rising copper prices, installation deficiencies, network connectivity and competition among players. However, the future for telecom cables segment is promising, especially after the recently concluded 3G auctions, orders for telecom cables are expected to see a quantum leap in demand. The telecom cables segment revenue declined by 7.6 percent to touch Rs. 1,200 crores from Rs. 1,299 crores.

The Company enjoys the unique distinction of servicing leading PSU and private telecom sector players and is confident of growing its market share in this segment.

Building, Construction & Real Estate

The Indian real estate sector plays a significant role in the country's economy. The real estate sector is second only to agriculture in terms of employment generation and contributes heavily towards the gross domestic product (GDP). Almost five per cent of the country's GDP is contributed by the housing sector. In the next five years, this contribution to the GDP is expected to rise to 6 per cent. Almost 80 per cent of real estate developed in India is residential space; the rest comprises of offices, shopping malls, hotels and hospitals. According to the Eleventh Five Year Plan, there is a shortage of 26.53 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed with a majority of them catering to the middle and lower income groups.

The year 2010 has already seen the launch of many large commercial and luxury and high-end real estate projects and the fiscal year 2010-11 is expected to be a positive year for the real estate sector which will accelerate the demand for domestic cables, a segment which has recently been forayed into by Paramount.

The Copper Flexible and Building wires developed by the Company with technical assistance from AEI Cables Ltd., United Kingdom, are a superior product, being the country's first Lead Free wires, along with Fire Retardant, Heat Resistant, Low Smoke and Zero Halogen properties for extra safety. The Company foresees excellent demand as it is providing a European quality product at Indian prices to the Indian consumer.

Identifying this as the most opportune period, the Company is making its best efforts to expand its marketing network in domestic and international markets.

During the majority of the fiscal 2009-10, the construction segment saw order inflows remaining healthy, however, the execution suffered due to various bottlenecks faced notably on the funding side. This led to a significant backlog in the execution of projects and thus, the sector failed to generate cable demand. However, many of these large projects are now in the execution stage and will infuse demand for cables and wires in the near future. Given an overall improvement in the funding scenario and based on the sheer strength of projects order backlog, the construction sector is already witnessing better performance, and Paramount with its array of cabling solutions is well placed to garner a share of the expanding opportunity pie over the next few years.

Threats

Prices of the main raw materials i.e. copper, aluminium, plastics and steel used in the manufacture of cables are highly volatile and may directly affect profitability.

Any slowdown in the national growth rate and /or delay in execution of infrastructure development projects or industrial projects may have a direct impact on the market demand for the Company's products.

BUSINESS ANALYSIS AND PRODUCT WISE PERFORMANCE

Power and Railway Cables

Paramount sold 36,020 kms of Power and Railway Cables having a total value of Rs. 321.62 crores during the year as compared to 27,280 kms having a total value of Rs. 442.56 crores during the previous year, showing a decline of nearly 27 percent in terms of value, due to the decline in basic raw material cost.

Power and Railway cables constitute approximately 87 percent of the total gross turnover of the Company for the year 2009-10.

Power, infrastructure and railways sectors are poised for substantial growth due to the ongoing reforms process having taken strong roots in the economy.

Jelly Filled Telephone Cables (JFTC)

The widespread adoption of WLL technology and continued thrust on mobile telephony globally reduced the demand of JFTC. During the year under review, the Company sold 0.062 mckm (million conductor kilometres) of JFTC having a total value of Rs. 11.98 crores during the year as compared to 0.42 mckm having a total value of Rs. 31.70 crores during the previous year.

Optical Fibre Cable (OFC)

OFC, with its inherent advantages in long distance telecom and data networks, generally forms the backbone of all telecom networks. OFC is also widely used in cable TV networks and local area networks requiring high-speed connectivity and high bandwidth.

During the year, revenue in this segment improved as Paramount sold 8,878 kms of Optical Fibre Cables having a total value of Rs. 12.39 crores during the year, as compared to 5,774 kms having a total value of Rs. 6.26 crores during the previous year.

FUTURE OUTLOOK

With visible signs of demand resurfacing after a challenging period in the past year, the Company believes that the worst could well be over. As opportunities open across key areas of presence and economic and industrial growth momentum picks up, the cables industry and the Company, in turn, are expected to witness a revival in demand.

Power Sector

With rapid growth in the industrial and infrastructure sectors, the demand for power is growing significantly. The Government is giving due attention to building power infrastructure to meet the growing demands of India's industrial growth and infrastructural developments, besides the ongoing nation-wide project for rural electrification. Over 78,577 MW of new power generation capacity is proposed to be added by 2012, which requires an investment of approximately Rs.9 trillion (USD 200 bn). These power projects shall give rise to substantial demand for power cables.

Railway Cables

The up-gradation and modernisation plans of the Indian Railways are expected to create significant demand for power, optical, signalling and instrumentation cables and your Company expects a good volume of business from this sector during next few years.

Telecom Sector

The telecom sector has continued to register significant growth during the year and has emerged as one of the key sectors responsible for India's resurgent economic growth. Growing cellular infrastructure requires different types of cables, including Optical Fibre Cables. BSNL and MTNL are expected to raise demand for telecom cables for rural fixed line connections and/or replacement of existing JFTC Cables.

In view of the anticipated investment in infrastructure, power, railways and industrial sector, it is expected that the demand for the Company's products will continue to be robust and the turnover of the Company and its profitability will improve

Fibre-to-the-premises (FTTP), fibre-to-the-home (FTTH) and fibre-to-the-building (FTTB) applications are the driving forces behind the development of the fiber-optic cabling industry worldwide.



Consolidating strengths. Broadening vision.

substantially during the next financial year; if positive, ongoing policy measures and future large-scale projects outlined, continue their growth momentum.

COMPETITION AND BUSINESS STRATEGY

Paramount is an experienced, well established manufacturer of quality cables and the Company's research team is fully committed for providing customised cable products matching the precise and exact specifications of customers across sectors. The Company pays the utmost attention to controlling costs of production and providing better value for money to its customers. The Company's competitive edge is derived from its following inherent strengths:

1. The Company serves the core and prime infrastructure sectors which are the pillars of modern economy including power, telecom, railways, industry and construction. The Company is an approved supplier of cables to government and public sector enterprises along with major players in the private sector. The Company's major revenues are driven by government and institutional sales, which are often better insulated from economic disruptions than private sector sales.
2. The Company's products meet technological parameters and specifications of prestigious national and international agencies and holds major accreditations and approvals from its clients. Its long track record and ability to service clients' requirements efficiently has placed it in the category of preferred vendor to its prestigious customers.
3. Swing facility (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.
4. The Company has invested in adding more specialised manpower to its research and development team, which takes care of the requirements for speciality cables.
5. The Company's subsidiary AEI Cables Ltd., United Kingdom, also holds various accreditations across the globe and has a strong marketing network in Europe, which is utilised to market the Company's products also.

Exports

During the year under review, the Company's export business in foreign currency was Rs. 29.91 crores as compared to Rs. 75.18 crores during last year. The lower exports sales are attributable to the global financial meltdown and recession in the West, which is forecast to stabilise over the next few years.

The Company targets substantial growth in its export business by catering to worldwide export markets through its wholly

owned subsidiary AEI Cables Limited, United Kingdom.

FINANCIAL PERFORMANCE

The Company achieved sales turnover of Rs. 368.55 crores for the year ended 31st March, 2010 as compared to Rs. 492.39 crores during the previous year. The sales turnover of the

Paramount is an experienced, well established manufacturer of quality cables and the Company's research team is fully committed for providing customised cable products matching the precise and exact specifications of customers across sectors.



Company has decreased due to recessionary effects coupled with decreased demand, steep fall in major input prices, cut-throat competition and proliferation of inferior, non-approved cables. The Company managed to overcome operational losses, as it was able to reduce the Foreign Currency Convertible Bonds (FCCBs) liability by repurchasing them at a discount and thereby gaining profit. The Company managed to generate a marginal net profit of Rs. 62.8 lakhs for the year ended 31st March, 2010 as compared to net loss of Rs. 29.36 crores during the previous year, 2008-09.

The Company achieved consolidated turnover of Rs. 702.38 crores and net loss of Rs. 5.65 crores for the year ended 31st March, 2010 as compared to Rs. 840.23 crores and net loss of Rs. 49.16 crores respectively during the previous year.

Total financial charges during the year have reduced from Rs. 35.51 crores to Rs.33.05 crores in value but overall financial charges burden has increased to 8.97 percent of the total turnover as compared to 7.21 percent during the previous year. This is mainly because of low turnover and low debtor realisation during the year.

Borrowing position

Borrowings excluding working capital facilities as at 31st March, 2010 are Rs. 145.23 crores as compared to Rs. 177.26 crores during the previous year. These borrowings include FCCBs of Rs. 33.79 crores, term loans from banks of Rs. 108.61 crores, loans from financial institutions of Rs. 2.40 crores, hire purchase finance of Rs. 0.34 crores and inter-corporate deposits of Rs. 0.09 crores. During the year, the Company has repurchased and cancelled USD 19.5 million worth of FCCBs out of 27 million FCCBs issued on 22nd

November 2006 at a substantial discount. The gain from repurchase amounts to Rs. 45.65 crores. The principal amount of FCCBs outstanding after this repurchase was USD 7.5 million. The debt equity ratio of the Company as at 31-03-2010 is 1.95:1 as compared to 2.25:1 as at 31-03-2009.

Fixed Assets

Gross Fixed Assets as at 31st March, 2010 are Rs. 210.15 crores as compared to Rs. 193.33 crores as at 31st March, 2009.

Inventories

Level of Inventories as at 31st March, 2010 is Rs. 202.70 crores as compared to Rs. 189.95 crores as at 31st March, 2009.

Sundry Debtors

Sundry Debtors as at 31st March, 2010 are Rs. 154.06 crores as compared to Rs. 130.26 crores as at 31st March, 2009. These debtors are considered good and realizable.

Earning per Share

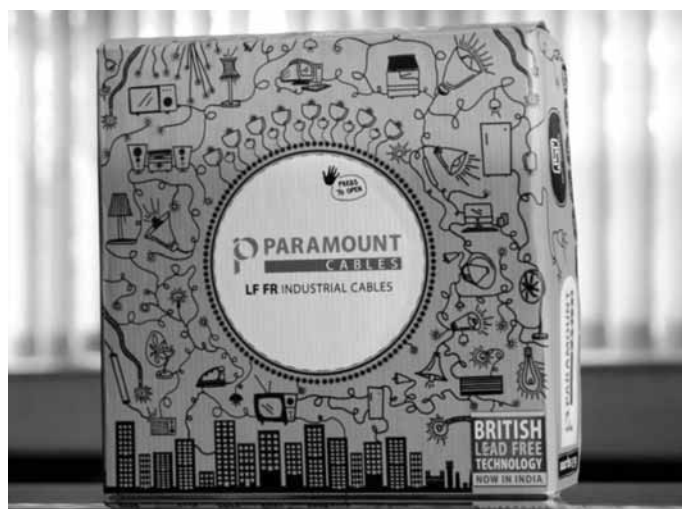
Basic Earnings per Share for the year ended 31st March, 2010 are Rs. 0.07 as compared to Rs. (3.47) for the year ended 31st March, 2009 and Diluted Earnings per Share for the year ended 31st March, 2010 are Rs. 0.06 as compared to Rs. (2.60) for the year ended 31st March, 2009.

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

The Copper Flexible and Building wires developed by the Company are the country's first Lead Free wires, along with Fire Retardant, Heat Resistant, Low Smoke and Zero Halogen properties for extra safety.



Consolidating strengths. Broadening vision.

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

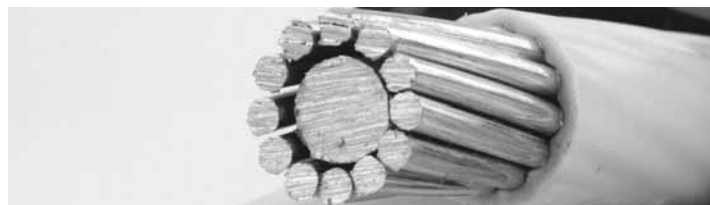
The state of the Indian economy and the development in infrastructure, power and industrial projects and expansion have a direct bearing on the performance of the cable industry and therefore the Company. These sectors are expected to grow and drive the demand for the Company's products; however adverse 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. 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 law together with the other incidental factors.

With visible signs of demand resurfacing after a challenging period in the past year, the Company believes that the worst could well be over.



NOTICE

Notice is hereby given that the **16th Annual General Meeting** of the Members of the Company will be held at **SHAH AUDITORIUM, SHRI DELHI GUJRATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054 on Monday, the 27th Day of September, 2010 at 11:00 A.M.** to transact the following business:

ORDINARY BUSINESSES:

- 1 To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended March 31st, 2010 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. S.P.S.Dangi, who retires by rotation and being eligible, offers himself for re-appointment.
- 3 To appoint a Director in place of Mr. Satya Pal, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint M/s Jagdish Chand & Co., Chartered Accountants 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 the Audit Committee.

SPECIAL BUSINESSES:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolution**:
'RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof, for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into by the Company with the Stock Exchanges where the shares of the company are listed and in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such other law, rules, regulations and guidelines as may be applicable and subject to such approvals and/or sanctions from all appropriate authorities, including the Securities and Exchange Board of India (SEBI), Govt. of India, Reserve bank of India, Stock Exchanges and all other regulatory and other bodies and institutions as may be relevant (hereinafter singly or collectively referred to as "the Appropriate Authorities") and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and / or sanctions (hereinafter singly or collectively referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee(s) consisting of one or more members of the Board and/or one or more members of the Board and/or one or more officials of the company appointed by the Board in this behalf which the Board may constitute to exercise powers of the Board), the consent of the shareholders of the Company be and is hereby accorded to create, offer, issue and allot up to 35,20,000 (Thirty Five Lac Twenty Thousand) Warrants at a price of Rs. 13/- each based on the relevant date i.e. 28th August, 2010 on preferential basis to the Promoter(s) / Promoters Group, on such terms and conditions and in such manner as the Board may deem fit and appropriate, subject to compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and such other law, rules, regulations and guidelines as may be applicable, without offering the same to any other person(s) who on the date of offer are the holders of equity shares, each warrant entitling the holder to apply and be allotted one fully paid up equity share of Rs. 2/- each, within eighteen months from the date allotment of warrants and such that the total number of equity shares to be issued by the Company upon conversion of the Warrants do not exceed 35,20,000 (Thirty Five Lac Twenty Thousand) equity shares of Rs. 2/- each at any point of time.

FURTHER RESOLVED THAT the issue of Warrants shall be subject to the following terms and conditions:

1. The Warrants shall be convertible in equity share within a period of 18 months from the date of allotment.
2. Each Warrant shall be convertible into one equity share of Rs. 2/- each of the company.
3. An amount equivalent to 25% of the price fixed per warrant shall be payable at the time of allotment of warrants.
4. The warrant holders shall pay balance 75% of the fixed price per warrant on the respective date of conversion.
5. The proportionate amount referred to in (3) above shall be forfeited, if the option to acquire shares is not exercised fully or in part thereof within the stipulated time.

FURTHER RESOLVED THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon the conversion of warrants and that equity shares shall be as per the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing equity shares of the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorized to accept the terms, conditions and stipulations made by the Appropriate Authorities while granting approval to the Company for issue of the Warrants as aforesaid.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to the committee of director(s) or any other officer or officers of the company and to do all such acts, matters, things and deeds and to take all such steps and do all such things and give all such directions as the Board may consider necessary or expedient or desirable and also to settle any question(s) or difficulty or doubt that may arise in regard to the offer/ issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as the Board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolution**:

"RESOLVED THAT pursuant to Section 314 (1B) and other applicable provisions of the Companies Act 1956 (including any amendment thereto or re-enactment thereof, for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with Director's Relatives (Office or Place of Profit) Rules, 2003 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, consent of the shareholders of Company be and is hereby accorded to appoint Ms. Parul Aggarwal, relative of Mr. Sanjay Aggarwal, Chairman & CEO of Company, as Head- Corporate Communication, to hold an office or place of profit in the Company, at a total monthly remuneration not exceeding Rs. 50,000/- (Rupees Fifty Thousand) with immediate effect on such other terms and conditions as laid down by the Human Resource Policy and Employee's Code of Conduct of the Company or any amendment/ revision thereof or as may be specified by board in this regard.

RESOLVED FURTHER THAT the total monthly remuneration as payable to Ms. Parul Aggarwal shall consist of the following elements:

1. Basic Salary	Rs. 39,500/- per month
2. Provident Fund	Rs. 4,740/- per month
3. Group Accident Insurance	Rs. 45/- per month
4. Gratuity	Rs. 1,899/- per month
5. Bonus	Rs. 3,290/- per month
Total Monthly Remuneration	Rs. 49,474/-

RESOLVED FURTHER THAT the board be and is hereby authorise to do all such acts, things and deeds as may be necessary to give effect to above resolution and to file all the required forms or documents with the Registrar of Companies, NCT of Delhi & Haryana or any other authority as may be required in this regard."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 293(1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to compliance of such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the company to sell, lease, mortgage, transfer for consideration or otherwise dispose off whole or any part of its undertaking situated at SP-76(Part), SP-77 and SP-77A, Khushkhera Industrial Area, Tapukara, Distt. Alwar, Rajasthan on such terms and conditions as Board may deem fit and proper in this regard.

RESOLVED FURTEHR THAT the board be and is hereby authorise to do all such acts, things and deeds as may be necessary in this regard and to file/ submit all the required forms/ returns/documents with the Registrar of Companies, NCT of Delhi & Haryana or any other authority to give effect to above resolution."

By Order of the Board

Place : New Delhi
Dated : 28th August, .2010

(Ratan Aggarwal)
CFO & Company Secretary

NOTES:

- 1 THE 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 Thursday, the 23rd September, 2010 to Monday, the 27th September, 2010 (both days inclusive).
- 3 Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- 4 Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
- 5 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., A-40 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110 028 (India).
- 6 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.
- 7 Shareholders are requested to bring their copy of Annual Report at the meeting.
- 8 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, 2002 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. Members are therefore requested to encash 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.
- 9 At the ensuing Annual General Meeting, Mr. S. P. S. Dangi and Mr. Satya Pal, retire by rotation and being eligible, offer themselves for reappointment. The information or details pertaining to these directors to be provided in terms of clause 49 of the listing agreement with the Stock Exchanges are annexed herewith.
- 10 Explanatory statement as required under section 173(2) of the Companies Act 1956 is annexed hereto and forms part of the notice.

Annexure A

Information of Directors seeking re-appointment under Item No. 2 & 3 of the Notice convening Annual General Meeting of the Company in terms of clause 49 of the Listing Agreement.

1. **Name** : **Mr. S.P.S.Dangi**
 Date of Appointment : 08.11.1994
 Educational Qualifications : B.Com, M.A, FICWA
 Expertise in specific functional area :

Mr. Dangi is a fellow member of the Institute of Cost and Works Accountants of India and holds an expertise in accounts and finance matters and is a well known Management Consultant. He holds vast experience in cable & telecom industry. He had held various positions in New Asiatic Insurance Co. Ltd., Kanoria Group of Industries, Universal Cables Ltd., Vindhya Telelinks Ltd. (VTL). As a Managing Director of VTL, Mr. Dangi was instrumental in setting up the first JFTC plant in joint sector.

List of Outside Directorships : Nil

List of Memberships/Chairmanships held in the committee(s) of Board of Directors of all Companies in which Mr. S.P.S. Dangi is a Director.

Name of the Company	Name of the Committee	Chairmanship/ Membership
Paramount Communications Ltd.	Audit Committee	Chairman
	Remuneration Committee	Member

2. **Name** : **Mr. Satya Pal**
 Date of Appointment : 08.11.1994
 Educational Qualification : B.Sc (Hons), DIISc (ECE), DIISc (ET), F.I.E.T.E.
 Expertise in specific functional area :

Mr. Satya Pal has held highly distinguished positions during his long career with the Indian Telecommunications Service. He was Chairman of Mahanagar Telephone Nigam Limited, Member (Services) Telecom Commission, Director-General Telecommunications and Senior Training Expert, International Telecommunication Union, Geneva. He retired in 1989 while holding the post of Secretary-Telecommunications, Ministry of Communications, Government of India.

List of Outside Directorships

1. Polaris Software Lab Ltd.

List of Memberships/Chairmanships held in the committee(s) of Board of Directors of all Companies in which Mr. Satya Pal is a Director.

Name of the Company	Name of the Committee	Chairmanship/ Membership
Paramount Communications Ltd.	Remuneration Committee	Chairman
	Audit Committee	Member
Polaris Software Lab Ltd.	Shareholders'/Investor's Grievance Committee	Chairman
	Remuneration & Compensation Committee	Member

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.1

The Company is in the process for Corporate Debt Restructuring and as per Corporate Debt Restructuring Guidelines and pre-requisition of Banker's participation the Promoters/Promoter Companies are required to bring fresh funds under the CDR system.

Therefore it is hereby proposed to issue warrants to Promoters/Promoter group on preferential basis to provide the necessary funds by subscribing 35,20,000 (Thirty Five Lac Twenty Thousand) warrants at a price of Rs. 13/- per warrant as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board of directors of the Company at its meeting held on 28th August, 2010 has approved the proposal for issue of 35,20,000 (Thirty Five Lac Twenty Thousand) warrant to the Promoter/Promoter Group on preferential basis subject to the approval of the shareholders.

In terms of the provisions of Section 81(1A) of the Companies Act, 1956, approval of the shareholders of the company is being sought to create, offer, issue and allot further shares in the share capital of the company to any person, whether or not the allottee(s) of the existing equity shares of the company. Accordingly, the consent of the members of the company is required by way of Special Resolution.

Disclosures required to be given in terms of Clause 73(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 are as under:

(a) Objects of the preferential issue:

The promoters/ Promoters group will bring necessary funds by subscribing the said warrants to meet the requirements of promoters' contribution as per Corporate Debts Restructuring Guidelines and the same shall be used to strengthen long term working capital.

(b) The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:

The select Promoters / Promoter Group of the company named below intend to subscribe warrants mentioned against their names respectively. However, none of the other directors and other Promoters or management personnel intends to subscribe in the preferential offer of warrants.

(c) Shareholding pattern before and after the preferential issue:

CATEGORY	PRE-ISSUE		POST-ISSUE*	
	No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
A. Promoters Holding				
-Individual / HUF	2,21,81,155	25.64	2,21,81,155	23.84
-Bodies Corporate**	36,18,302	4.18	1,01,38,302	10.90
Sub-Total	2,57,99,457	29.82	3,23,19,457	34.74
B. Public Shareholding				
-Mutual Funds / UTI	—	—	—	—
-Financial Institutions / Banks	10,00,000	1.16	10,00,000	1.07
-Foreign Institutional Investors	27,88,300	3.22	27,88,300	3.00
-Bodies Corporate	2,29,82,728	26.57	2,29,82,728	24.71
-Indian Public	3,04,08,210	35.15	3,04,08,210	32.69
-NRIs	9,98,575	1.15	9,98,575	1.07
-Others	22,27,945	2.58	22,27,945	2.40
Sub-Total	6,04,05,758	69.83	6,04,05,758	64.94

C. Shares held by Custodian and against which DRs have been issued	3,01,750	0.35	3,01,750	0.32
GRAND TOTAL	8,65,06,965	100.00	9,30,26,965	100.00

* The percentage are on the assumption that all the warrants issued to the allottees will be converted into the equity shares and in the event any further shares / securities are issued by the company prior to the conversion of warrants the percentage may suitably varied.

** The post issue shareholding of the promoter group companies also includes 30,00,000 balance convertible warrants issued earlier with the option of conversion into equity shares of Rs. 2/- each, the option being valid has been added and shown as part of the post issue holding of the promoter group companies in addition to current proposal for 35,20,000 warrant.

(d) The time within which the preferential issue shall be completed:

As required under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company shall complete the allotment(s) of warrants as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for the preferential issue or in the event allotments of warrants would require any approval(s) from any regulatory authority or the Central government, within 15 days from the date of such approvals) as the case may be.

(e) The identity of the proposed allottee(s), the percentage of the post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:

The warrants are proposed to be allotted to the Promoter(s) / Promoter Group in the following manner:

Sl. No.	Name of the Proposed Allottees	Existing Shareholding		No. of Warrants / shares to be issued	Post Issue Shareholding (upon conversion) of the proposed warrants	
		No. of Shares held	% of Shares held		No. of Shares held	% of Shares held
1.	Paramount Telecables Limited	—	—	35,20,000	35,20,000	3.78

The allotment of warrants would not result in any change in the control or management of the affairs of the company or in the Board of Directors of the Company. However, there could be consequential change in the voting rights / shareholding pattern of the company.

(f) Pricing of the Issue:

The price of one convertible warrant shall be Rs. 13/- (Rupees Thirteen only) which shall be convertible into one equity share of Rs. 2/- each (i.e. at a premium of Rs. 11/- per share). The price is calculated on the basis of relevant date 28th August, 2010, which is the date 30 days prior to the date on which Extra Ordinary General Meeting is to be held, for according the approval of shareholders in terms of Section 81(1A) of the Companies Act, 1956 for the proposed issue and is determined in accordance with the Regulation 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(g) Tenure of convertible securities/warrants allotted on preferential basis

The tenure of convertible warrants shall be 18 (Eighteen) months from the date of allotment of warrants, the warrant holders shall have option of subscribing for one equity share of Rs. 2/- each per warrant at a price of Rs. 13/- (Rupees Thirteen only), being the price determined in accordance with Clause 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on preferential issue, at any time within 18 months from the date of allotment of warrants.

(h) The warrants allotted on preferential basis to the Promoter(s) / Promoters Group shall be subject to lock-in-period as specified in Chapter VII, Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

- (i) The conversion of warrants into equity shares shall be in compliance with the provisions of SEBI (Substantial Acquisition & Takeover) Regulations, 1997 as amended from time to time.

As required under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 on Preferential Issues, a certificate from the Statutory Auditors to the effect that the said allotment will be made in accordance with the said Regulations, shall be placed before the shareholders in the Extra Ordinary general Meeting.

The members are therefore requested to accord their approval to the proposed resolution set out in the convening Notice by way of Special Resolution.

None of the directors except Mr. Sanjay Aggarwal, Mr. Sandeep Aggarwal, being promoters deemed to be concerned or interested in the proposed resolution.

Item No.2

Human Resource is the biggest and irreplaceable input of any business organization. However it is very difficult to acquire and ensure quality human resource, where the quality standards can be fixed for materials and technological specifications can be set for the machines, but no standard or criteria can be prescribed for human resource, as human beings are God's Creation and no two persons of a world are alike. Therefore every Company of the World is in need of qualified and competent youngsters who can work for growth of the Company and can bring the necessary change in the working of the Company which is imperative for development of any business/ Organisation.

Ms. Parul Aggarwal is daughter of Mr. Sanjay Aggarwal, Chairman & CEO of the Company. She has business aptitude and requisite working experience in the Cable industry. She has an expertise in the areas of Management and Business Development. By qualifications she is Master of Science in Management (M. Sc. Management) from Cass Business School, City University, London, UK which is one of the renowned business schools of the London. Her additional qualifications includes B.A. (Hons) Fashion Management from London College of Fashion, University of the Arts London, UK, Foundation in Art and Design from National Institute of Fashion Technology, New Delhi and Camberwell College of Arts, London, United Kingdom.

At a very young age she started taking interest in the cable business and has always worked and contributed for the growth of company. With her qualifications and business family background, it can be said that she is most suited and competent person for the post of "Head- Corporate Communication" and therefore the Company is desirous to appoint her and seeks shareholder's approval by way of special resolution.

None of the Director except Mr. Sanjay Aggarwal is interested in the above resolution.

Item No.3

The Company is planning to sell, lease, mortgage, transfer for consideration or otherwise dispose off whole of any part of its undertaking situated at SP-76 (Part), SP-77 and SP-77A, Khushkhara Industrial Area, Rajasthan. The transfer of said assets may be either by making part investment in Joint Venture with potential strategic partner/investor for setting up a project to manufacture EHV Cables.

During 2008-09 Company was in the process of expanding Capacity in power cables segment on the said undertaking /Unit of the Company. Company was hit by the overall recessionary trends within and outside the Company and decided not to make further capital investment in the said expansion project and the same was hold till overall situation improves. It is therefore assured that the proposed sale/transfer or otherwise dispose off of Company's said undertaking/Unit would be beneficial for financial viability of the Company which would increase present as well as future profitability of the Company.

Therefore your board of directors seeks approval of the shareholders by way of ordinary resolution to give effect to above resolution.

None of the Director is interested in above resolution.

By Order of the Board

Place : New Delhi
Dated : 28th August, .2010

(Ratan Aggarwal)
CFO & Company Secretary

DIRECTORS' REPORT

Your directors have pleasure in presenting the 16th Annual Report and audited accounts of the company for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

	For the year ended 31.03.2010 (Rs. in Lacs)	For the year ended 31.03.2009 (Rs. in Lacs)
Turnover including Other Income	41,774.44	49,595.59
Profit before Interest, Depreciation and Tax	4,134.00	1,083.28
Interest (Net)	2,813.71	(3,100.48)
Depreciation & Amortisation of FCMITDA	1,243.85	(1,502.95)
Profit/(Loss) before Tax	76.44	(3,520.15)
Provision for Taxation	13.46	623.96
Profit/(Loss) after Tax	62.98	(2,896.19)
Taxation for earlier years	(0.18)	(39.94)
Net Profit/(Loss)	62.80	(2,936.13)
Add: Balance brought forward from last year	5,505.56	8,441.69
Profit available for Appropriation	5,568.36	5,505.56
Appropriation:		
-Proposed Dividend	—	—
-Provision for Dividend Distribution Tax	—	—
-Transfer to General Reserve	—	—
Surplus carried to Balance Sheet	5,568.36	5,505.56

2. PERFORMANCE REVIEW OF OPERATIONS

The company has achieved a gross turnover including other income Rs. 41,774.44 Lacs and profit/(Loss) after tax Rs. 62.80 Lacs for the year 2009-2010 as compared to Rs. 49,595.59 Lacs and loss of Rs. (2,936.13) Lacs respectively for the previous year 2008-2009.

The company's export business in foreign currency including deemed exports was Rs. 2,995.88 Lacs during the year as compared to Rs.7,524.68 Lacs in the previous year. The decrease in the exports is due to global meltdown and adverse development took place world-wide which affected the business of the company. The Company is now targeting growth in its export business through the network of its wholly owned subsidiary AEI Cables Limited, United Kingdom. AEI Cables, arguably is one of the oldest cable manufacturers in the world.

3. DIVIDEND

In view of Cash Losses incurred by the company during the financial year under reporting, your directors do not recommend any dividend for the year 2009-10.

4. REVIEW OF OPERATIONS

Your company has added fresh capacity to manufacture domestic wires which commenced production in July, 2009. Domestic wires business is going to be among the important drivers of the top-line and bottom-line growth of the company.

5. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

The company raised US\$ 27 million by way of allotment of 1% Unsecured Foreign Currency Convertible Bonds due 2011 in the financial year 2006-07. The said bonds have maturity of five years and one day and shall mature on 23rd November, 2011. The company has reset the conversion price downward to Rs. 42.60 per share of Rs. 2/- each (post split) on its first anniversary and the same remained unaltered and unchanged during the second and third anniversaries of the Bonds. During the year under review, company bought back 3,900 bonds of US\$ 5,000 each at a discount. There are 1,500 bonds of US\$ 5000 each outstanding as at 31.03.2010.

The company is regular in making payment of semi-annual interest payable on outstanding FCCBs on their respective due dates. Unless, the balance Bonds are previously redeemed, repurchased, cancelled or converted, the company shall redeem the Bonds on 23rd November, 2011 equal to the outstanding principal amount of the Bonds together with the redemption premium and accrued but unpaid interest thereon to the maturity date. All outstanding Bonds on the date of redemption would be redeemed at a price of US\$ 7,277 providing a Yield to Maturity (YTM) of 8.5% per annum. The Bonds are listed at Luxembourg Stock Exchange.

6. GLOBAL DEPOSITORY RECEIPTS (GDRs)

The Global Depository Receipts issued by the company during the financial year 2006-07 are listed at Luxembourg Stock Exchange. There are GDRs outstanding which represents 3,01,750 equity shares of Rs. 2/- each as at 31.03.2010.

7. FUTURE OUTLOOK

The pace of anticipated investment in infrastructure, power, telecom, railways and industrial sectors was affected in the past due to the loss in growth momentum resulted from global meltdown, corporate frauds and financial crises reported world over during the last few fiscal, however, the growth seems to be regaining its momentum, the demand for the company's product is expected to improve. The cable industry was also affected due to stiff competition among industry players. The raw material prices recorded exorbitantly high fluctuations in the past and crashed thereafter which affected the turnover of the company in terms of value.

The company has commenced business of domestic copper flexible and building wires, which are being manufactured at the company's state of art manufacturing facilities in India under the technical guidance of its foreign subsidiary AEI Cables Ltd., pioneer building wires manufacturers in the UK. The company has introduced British Technology high performance lead free cables with low smoke and fire retardant options in India during July, 2009 and expect to capture all Indian markets within the span of three years. The company is targeting regular export business through the existing marketing set up of AEI Cables Limited, UK.

8. DIRECTORS

In terms of the relevant provisions of the Articles of Association of the company, Mr. S. P. S. Dangi and Mr. Satya Pal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume 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, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges are provided in the report on corporate governance.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed;
- ii) That the directors 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) That the directors 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) That the directors had prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

10. AUDITORS

M/s Jagdish Chand and Co., Chartered Accountants, New Delhi, 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. They have given a certificate to the effect that their appointment, if made, will be within the prescribed limit specified in Section 224 (IB) of the Companies Act, 1956.

M/s Aseem Jain & Associates, Cost Accountants, have been re-appointed as Cost Auditors for conducting Cost Audit subject to the approval of Central Government.

11. SUBSIDIARIES

The company has two wholly owned foreign subsidiaries viz. Paramount Holdings Limited, Cyprus and AEI Cables Limited, United Kingdom.

Consolidated financials include audited financials of Paramount Holdings Limited, Cyprus for the year ended 31st March, 2010 and Audited financials of AEI Cables Limited, UK for the period from 1st September, 2008 to 31st August, 2009 and for the period from 1st September, 2009 to 31st March, 2010 are attached. The financial year of AEI Cables Ltd. UK has been changed to end on 31st March instead of 31st August. Accordingly, the next financial year of AEI Cables Ltd. commenced on 1st April, 2010 and will end on 31st March, 2011.

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

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

The information as regards conservation of energy, technology absorption and foreign exchange earnings and outgo required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made there under is annexed hereto and forms an integral part of the report.

13. ISO CERTIFICATION

The Company holds ISO 9001:2000 and ISO 14001 certifications for both of its plants at Khushkhera, Rajasthan and Dharuhera, Haryana.

14. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975 is given below:

Name	Designation	Gross Remuneration	Qualification	Experience	Date of Joining	Age
Sanjay Aggarwal	Chairman & CEO	3,022,540	B.Com (Hons.)	29 years	01.11.1994	48 yrs
Sandeep Aggarwal	Managing Director	29,78,951	B.A. (Economics)	27 years	01.11.1994	46 yrs

15. INSURANCE

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

16. FIXED DEPOSITS

There is no fixed deposit from public outstanding as on 31st March, 2010.

17. 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.

18. CORPORATE GOVERNANCE

Report on Corporate Governance as prescribed by the Listing Agreement is annexed and forms a part of Annual Report. The auditor's certificate on compliance of the provisions of corporate governance as mentioned in the Listing Agreement is also attached.

19. ACKNOWLEDGEMENT

Your directors place on the record their appreciation of the assistance and support extended by all our valued customers, government authorities, financial institutions, banks and shareholders of the company. Your directors also express their appreciation for the services rendered by the employees of the company.

For and on behalf of the Board,

Date: 28th May, 2010
Place: New Delhi

(Sanjay Aggarwal)
Chairman & CEO

ANNEXURE I TO THE DIRECTOR'S 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 and forming part of the directors' report for the year ended 31st March, 2010.

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) Develop special types of building wires, keeping in view the global practices and customer safety.
- b) Continuous upgrading and adding R & D equipment from time to time in tune with the latest trends in cable technology.
- c) Design and development of special products for better performance.
- d) Fine tuning of operations to improve quality of goods with high yield percentage.

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 renovation, design and quality of cables and prices through operational efficiency and technological betterment.

4. Expenditure on R & D

R & D expenditure have 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. The Company has gained confidence in the quality of its products by being able to successfully compete with the world majors in the international market. 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 is also employing the technical expertise of its British subsidiary who is pioneer in manufacturing building wires and developed its know-how over centuries.

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

The company has achieved improvement in the quality of product.

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:**

The Company has made all efforts to achieve continuous export business growth. 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. The company participates in many prestigious international exhibitions for the promotion of its products. Products as per the requirements of the international markets have been developed; the company has also obtained various international accreditations and approvals. The company is also utilising the marketing network of its subsidiary AEI Cables Ltd., United Kingdom for promoting of its products in new markets.

- (b) **Total Foreign exchange used and earned:**

Earnings	:	Rs. 2,995.87 Lacs.
Outgo	:	Rs. 3,913.86 Lacs.

For and on behalf of the Board,

Date: 28th May, 2010
Place: New Delhi

(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.	:	3600 ordinary shares of CYP 1 each (Equivalent to Rs. 266,640,280/-)
	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	:	Loss of Rs. 1,060,906/-
	a) Not dealt with in the holding company's accounts:		
	i) For the financial year ended 31.03.2010	:	Loss of Rs. 1,060,906/-
	ii) For the previous financial years of the Subsidiary company since it became the holding company's subsidiary.	:	Loss of Rs. 168,890/-
	b) Dealt with in holding company's accounts:		
	i) For the financial year ended 31.03.2010	:	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,

**Date: 28th May, 2010
Place: New Delhi**

**(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 Cables Limited
2. Date of becoming Subsidiary	:	30.08.2007
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.	:	20,000 ordinary shares of £ 1 each 2,995,000 Preference Shares of £ 1 each (Equivalent to Rs. 203,369,288/-)
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	:	Loss of Rs. 46,010,923/-
a) Not dealt with in the holding company's accounts:		
i) For the financial year ended 31.03.2010	:	Loss of Rs. 46,010,923/-
ii) For the previous financial years of the Subsidiary company since it became the holding company's subsidiary.	:	Profit of Rs. 111,923,554/-
b) Dealt with in holding company's accounts:		
i) For the financial year ended 31.03.2010	:	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,

Date: 28th May, 2010
Place: New Delhi

(Sanjay Aggarwal)
Chairman & CEO

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate governance has gained considerable as an indispensable norm of Corporate disclosures and has emerged as a tool for effective, efficient and informed management of business enterprises with an aim to provide disclosure of information to those who need it and who have a right to know it, to ensure fair play and to uplift business values. The need for corporate governance is now felt worldwide and laws are being framed to maintain transparency of business operations. Corporate governance as understood by the Company and its management means following best and prudent business practices, adherence to utmost transparency, disclosure and fairness in business and management operations. Best business practices convey that a Company should not only operate within the regulatory framework but it should operate ethically as well. Corporate governance entails and ensures accountability of the persons in charge of a Company on the one hand and develops benefits to its investors, customers, vendors and the society at large, on the other hand.

To ensure these high standards of corporate governance, the Company has framed an appropriate system which includes:

- ◆ Fair and transparent business practices.
- ◆ Effective management control by Board.
- ◆ Adequate representation of promoters and independent directors on the Board.
- ◆ Transparent and timely disclosures of financial and management information.
- ◆ Strict compliance of relevant applicable laws.
- ◆ Monitoring executive performance and fixing of accountability at each level.
- ◆ Meeting corporate goals with highest levels of ethics.
- ◆ Reviewing systems periodically to ensure that they are well in line with the changing economic environment.
- ◆ Facilitating the evolution of Human Resource Management from an obsolete employee management system into a modern multi-faceted tool that, amongst other things, acts as a facilitator of Corporate Governance.

The Company feels that the code of corporate governance is an excellent tool to secure the corporate excellence in the country. The Company has fully complied with the code of corporate governance as required under the Listing Agreement with the Stock Exchanges.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive directors where more than 50 percent of Board is comprised by non-executive independent directors. The Board of Directors of the Company consists of 5 (Five) directors out of which 3 (three) are non-executive and independent director(s) and two executive directors including the Chairman & CEO and the Managing Director of the Company. The independent and non-executive director(s) 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. The constitution of the Board confirms compliance of corporate governance norms as provided in clause 49 of the Listing Agreement. Mr. Sanjay Aggarwal, Chairman & CEO and Mr. Sandeep Aggarwal, Managing Director of the Company being brothers are related to each other. The Board meets at least once in a quarter to consider amongst other matters, the quarterly un-audited financial results of the Company.

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 directors retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting of the Company are annexed with the notice for the Annual General Meeting.

COMPOSITION OF BOARD OF DIRECTORS AND CATEGORY OF MEMBERS OF THE BOARD

Name of the Director	Present Designation	Category of Directorship
Mr. Sanjay Aggarwal	Chairman & CEO	Promoter, Executive Director
Mr. Sandeep Aggarwal	Managing Director	Promoter, Executive Director
Mr. S.P.S.Dangi	Director	Non Executive and Independent Director
Mr. Satya Pal	Director	Non Executive and Independent Director
Mr. Vijay Bhushan	Director	Non Executive and Independent Director

Attendance of each director at the Board Meetings, last Annual General Meeting held on 17th September, 2009 and number of other directorship and chairmanship/membership of committee of each director in various companies is given herein below:

Name of the Director	Attendance Particulars		No. of other directorships & Committee membership/chairmanship in other companies		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship
Mr. Sanjay Aggarwal	9	Yes	5	1	0
Mr. Sandeep Aggarwal	5	No	6	0	0
Mr. S.P.S. Dangi	6	Yes	0	0	0
Mr. Satya Pal	9	Yes	1	2	1
Mr. Vijay Bhushan	9	No	6	6	2

Other provisions as to Board and Committees

9 (nine) board meetings were held during the financial year ended on March 31st, 2010. The date(s) on which the meetings were held are as follows:

- (1) 30th April, 2009
- (2) 15th June, 2009
- (3) 30th June, 2009
- (4) 29th July, 2009
- (5) 12th September, 2009
- (6) 17th September, 2009
- (7) 31st October, 2009
- (8) 9th December, 2009
- (9) 29th January, 2010

All directors of the Company are not the members in more than 10 committees or acting as chairman in more than 5 committees across all Companies in which they are director.

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. The code of conduct has been posted on the website of the Company at www.paramountcables.com.

All the directors and senior management have affirmed compliance with this code for the year ended 31st March, 2010. A declaration of compliance of this code signed by the Chairman & CEO is annexed as Annexure to this report.

3. AUDIT COMMITTEE

Qualified and Independent Audit Committee

The Board of Directors has constituted an Audit Committee, comprising of three independent non executive directors namely Mr. S.P.S Dangi, Chairman of the committee, Mr. Satya Pal, and Mr. Vijay Bhushan. All the members of the audit committee are financially literate. Mr. S. P. S. Dangi - Chairman of the committee is a well known Finance & Management Consultant. He is a fellow member of the Institute of Cost and Works Accountants of India and has expertise in accounting & finance matters. Mr. S.P.S.Dangi was present at the last Annual General Meeting of the Company held on 17th September, 2009. Mr. Ratan 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. Dangi	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 2009-10.

During the year the committee has met five times. Quorum for the meeting is 1/3 of the total strength of the Board or 2 members whichever is higher. The dates on which the Audit Committee meetings were held are given herein below:

- (1) 30th April, 2009
- (2) 30th June, 2009
- (3) 29th July, 2009
- (4) 31st October, 2009
- (5) 29th January, 2010

The proper quorum was present in all the Audit Committees meetings held during the year.

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, as contained under Clause 49 of the Listing Agreement are as follows:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fee.
3. Approval of payment to statutory auditors for any other services rendered by them.

4. Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters that are required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies, practices and the reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgment by management.
 - d. Significant adjustments made in the financial statement arising out of audit findings.
 - e. Compliance with the listing and other legal requirements relating to the financial statements.
 - f. Disclosure of any related part transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
7. Reviewing the adequacy of internal audit functions, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors, any significant findings and follow up there on.
9. Reviewing findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussions with external auditors before the audit commences, nature and scope of audit as well as have post audit discussions to ascertain any area of concern.
11. To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same exists.
13. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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 chief internal auditor.

4. 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 policy and the remuneration of the whole-time directors. Mr. Ratan Aggarwal, CFO and Company Secretary acts as the Secretary of the Committee. During the year under reporting, the committee met once on 30th June, 2009.

The present remuneration policy is in consonance with the existing industry practice.

DETAIL OF REMUNERATION PAID TO THE EXECUTIVE DIRECTORS DURING THE YEAR 2009-10.

Aggregate value of salary, perquisites and commission paid for the year ended 31st March' 2010 to the whole-time directors is as follows:-

(Amount in Rs.)

Name	Salary and perquisites	Company's Contribution to P.F.	Sitting Fees	Total
Mr. Sanjay Aggarwal	30,22,540	2,70,600	Nil	32,93,140
Mr. Sandeep Aggarwal	29,78,951	2,70,600	Nil	32,49,551

The company has entered into a service contract with Mr. Sanjay Aggarwal, Chairman & CEO and Mr. Sandeep Aggarwal, Managing Director of the Company for a period of three years w. e. f. 01.11.2009. The same has been approved by the members of the Company in the 15th Annual General Meeting held on 17.09.2009. As per the service contract with them, they are individually entitled to a remuneration not exceeding 5% of the net profits of the Company with a stipulation that in the event of inadequacy of profits or a loss they shall be paid remuneration in accordance with Schedule XIII to the Companies Act, 1956.

Compensation and Disclosures of Non Executive Directors

The Company pays sitting fees to all the non-executive directors at the rate of Rs. 8,500/- (Rupees Eight Thousand Five Hundred Only) per director for each meeting attended. The independent directors are also paid a lump sum for conveyance and out of pocket expenses at the rate of Rs. 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' 2010 are as follows:

Mr. S.P.S Dangi	Rs. 1,02,000/-
Mr. Satya Pal	Rs. 1,27,500/-
Mr. Vijay Bhushan	Rs. 1,36,000/-

5. SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

At present Shareholders'/Investors' Grievance Committee, comprises of the following directors viz. 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, approves issue of duplicate share certificates, investigates and redresses shareholders' complaints like non receipt of annual report/ balance sheet, non receipt of declared dividends, etc. The committee oversees and reviews all matters connected with the delay in transfer of securities. The committee 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 of transfer of shares to the Share Transfer Committee comprising of Mr. Sanjay Aggarwal- Chairman & CEO and Mr. Sandeep Aggarwal- Managing Director. 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. Ratan Aggarwal, CFO and Company Secretary as the Compliance Officer.

The Shareholders and Investors Grievance Committee met once on 30th April, 2009 during the year under reporting. The total number of complaints received was 03 and total numbers of requests received were 134 during the year under review where all of them were replied to the satisfaction of the shareholders. The Company received 01 complaint for non receipt of Annual Report, 02 complaints for non receipt of dividend. There were no outstanding complaints as on 31.03.2010. 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.

6. GENERAL BODY MEETINGS

Locations and time for the last 3 (three) Annual General Meetings and One Extra Ordinary General Meetings held during the year under reporting were:

Year	Location	Date	Time
2006-07 (AGM)	Shah Auditorium Shree Delhi Gujrati Samaj Marg Near ISBT, Delhi	17.09.2007	11.30.A.M.
2007-08 (AGM)	Shah Auditorium Shree Delhi Gujrati Samaj Marg Near ISBT, Delhi	17.09.2008	11.30.A.M.
2008-09 (AGM)	Shah Auditorium Shree Delhi Gujrati Samaj Marg Near ISBT, Delhi	17.09.2009	11.00.A.M.
2009-10 (EGM)	Golden Huts, 82nd Milestone, Delhi-Jaipur Highway No.8, Village Khijoori, Distt. Rewari, Near Dharuhera,Haryana.	30.11.2009	12.30.P.M.

Postal Ballots

No postal ballots were used for the voting at these meetings in respect of the resolutions passed thereat.

Special Resolutions Passed at the General Meetings

- A special resolution for according the approval of the members of the Company for increasing the limit of the foreign holding excluding non residents holding to the extent of 49% of the paid up share capital of the Company was passed at the A.G.M. held on 17th September, 2007.
- A special resolution for according the approval of the members of the company to issue, offer and allot 50,00,000 convertible warrants to the promoters/promoter group at a price of Rs. 13/- each in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 was passed in the E.G.M held on 30.11.2009.

7. 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 in "Annexure-1" to 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 which 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. The Company has not approved any specific policy in this regard.

(iv) Compliance with the code of corporate governance.

The Company regularly complies with the mandatory requirements of the code of Corporate Governance. The Company has not adopted any non-mandatory requirement.

(v) Accounting Standards

The Company has followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

(vi) Subsidiary Companies

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

- (1) AEI Cables Limited incorporated under the laws of England and Wales and having its manufacturing facilities situated at Birtley, Co. Durham, United Kingdom.
- (2) Paramount Holdings Limited incorporated under the laws of Cyprus.

(vii) Risk Management

The audit committee and the management regularly review the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

(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 certifying that:

- (i) They have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2010 and the same does not contain any materially untrue statement or omit any material fact or contain any misleading statement.
- (ii) The financial statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations and no transactions entered into by the Company during the year were fraudulent, illegal or are in violation of the company's code of conduct.
- (iii) They accept the responsibility for establishing and maintaining internal controls and their effectiveness, and they have disclosed the deficiencies, if any in the design and operation of internal controls, significant changes in the accounting policies or in the internal control or the instances of significant fraud, if any of which they are aware, to the auditors and the audit committee and the steps they have taken to rectify those deficiencies.

(ix) Number of shares and convertible instruments held by the Non-Executive Directors

Name of the Director	Category of Directorship	No. of Shares held
Mr. S.P.S.Dangi	Non Executive Independent Director	Nil
Mr. Satya Pal	Non Executive Independent Director	Nil
Mr. Vijay Bhushan*	Non Executive Independent Director	1400*

*Mr. Vijay Bhushan holds shares alongwith Ms. Nisha Ahuja on behalf of M/s Bharat Bhushan and Company, a share broking firm, in the capacity of partner in the said firm.

(x) Secretarial Audit

A qualified practicing Company Secretary carries out a quarterly secretarial 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 secretarial 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.

8. MEANS OF COMMUNICATION

Quarterly Results / Annual Financial Results.

Quarterly/Annually results are normally published in Financial Express and Jansatta (Hindi) or Business Standard. The financial results and shareholding pattern of the Company are also displayed on the company's website at www.paramountcables.com and the websites of BSE, www.bseindia.com and NSE at www.nseindia.com.

The annual report of the company is sent to all the shareholders at their registered addresses.

9. GENERAL SHAREHOLDERS INFORMATION

9.1 Annual General Meeting

Date	:	September 27th, 2010
Day and Time	:	Monday, 11.00 A.M.
Venue	:	SHAH AUDITORIUM, Shree Delhi Gujarati Samaj Marg, Near Inter-State Bus Terminal, Delhi-110 054, India

9.2 Financial Calendar 2010-2011 (tentative)

Financial year : 1st April, 2010 to 31st March, 2011

Approval of Quarterly/Annual Results.

Results for the quarter ending June 30	:	by 15, Aug' 2010
Results for the quarter ending Sept. 30	:	by 15, Nov' 2010
Results for the quarter ending Dec. 31	:	15 Feb' 2011
Results for the quarter/year ending March	:	15 May' 2011 / 30 May' 2011

9.3 Book Closure Date : Thursday, 23rd September, 2010 to Monday, 27th September, 2010 (both days inclusive)

9.4 Dividend Payment Date : N/A

9.5 The Equity Shares of the Company are Listed at the following Stock Exchanges:

- i. The Bombay Stock Exchange Limited, Mumbai
- ii. The Calcutta Stock Exchange Association Ltd., Kolkata*
- iii. National Stock Exchange of India Limited, Mumbai

The Global Depository Receipts and the Foreign Currency Convertible Bonds issued by the company in the international market are listed at Luxembourg Stock Exchange, Luxembourg.

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

The company has paid the Annual Listing Fees for the year 2010-11 to BSE and NSE.

9.6 Stock Code

♦ The Bombay Stock Exchange Ltd.	:	530555
♦ The National Stock Exchange of India Ltd.	:	PARACABLES
♦ The Calcutta Stock Exchange Assn. Ltd.	:	--

- ♦ Trading Symbol of BSE : PARAMO COMMU
 - ♦ Trading Symbol of NSE : PARACABLES
 - ♦ Demat ISIN Number in NSDL and CDSL for Equity Shares : INE074B01023
- The ISIN of Global Depository Receipts and One Percent Unsecured Foreign Currency Convertible Bonds due 2011 are US69921M1027 and XS0276171823 respectively.

Face Value of each Equity Share : Rs. 2/-

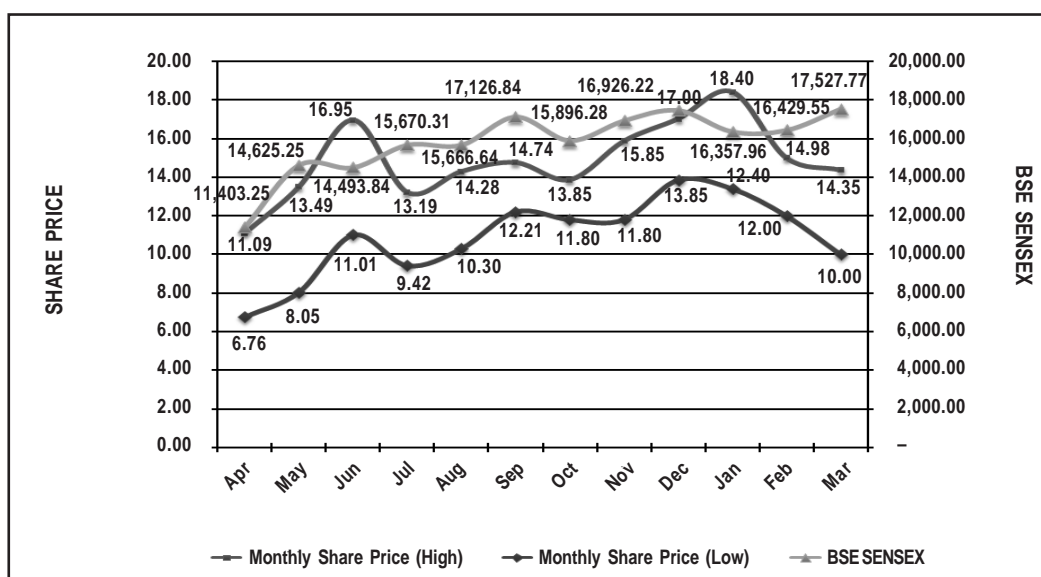
9.7 Stock Market Data

Scrip Code:530555 Company:PARAMO COMMU For the Period: April 2009 to March 2010 (Value in Rs.)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover	*Spread	
								H - L	C - O
April 2009	6.94	11.09	6.76	8.26	1800718	4337	16,592,726.00	4.33	1.32
May 2009	8.21	13.49	8.05	13.49	1041750	2478	10,816,075.00	5.44	5.28
June 2009	14.16	16.94	11.01	11.74	1775511	5040	25,137,225.00	5.93	-2.42
July 2009	11.80	13.19	9.42	11.59	866230	2692	9,631,812.00	3.77	-0.21
August 2009	11.60	14.28	10.30	14.12	1536006	3528	19,012,132.00	3.98	2.52
September 2009	14.69	14.74	12.21	12.82	1927658	5144	25,924,153.00	2.53	-1.87
October 2009	12.80	13.85	11.80	12.26	2750622	4453	35,025,431.00	2.05	-0.54
November 2009	12.84	15.85	11.80	15.30	5163103	7591	72,549,961.00	4.05	2.46
December 2009	15.80	17.00	13.85	15.40	4102924	7970	64,280,605.00	3.15	-0.40
January 2010	15.45	18.40	13.40	14.20	6107816	13439	101,641,932.00	5.00	-1.25
February 2010	14.25	14.98	12.00	12.31	868636	3510	11,826,284.00	2.98	-1.94
March 2010	12.60	14.35	10.00	12.02	1880874	4308	23,534,606.00	4.35	-0.58

* Spread, H - L -> High - Low, C - O -> Close - Open

9.8 Performance of equity shares in comparison with BSE index during the Financial Year 2009-10.



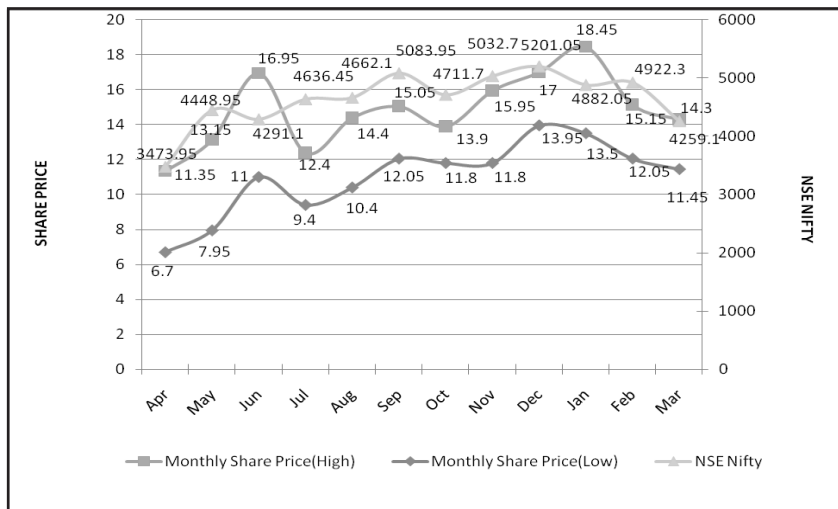
NSE Scrip Code: PARACABLES

For the period: April, 2009-March, 2010

(Value in Rs.)

Date	Open	High	Low	Close	No. of Shares	Spread	
						H-L	C-O
April	6.8	11.35	6.7	8.25	1,713,731	4.65	1.45
May	8.5	13.15	7.95	13.15	504,180	5.2	4.65
June	13.85	16.95	11	11.7	1,124,400	5.95	-2.15
July	12.25	12.4	9.4	11.7	771,873	3	-0.55
August	11.7	14.4	10.4	14.15	1,472,718	4	2.45
September	14.85	15.05	12.05	12.8	1,774,592	3	-2.05
October	13	13.9	11.8	12.25	3,700,169	2.1	-0.75
November	12.2	15.95	11.8	15.3	4,595,097	4.15	3.1
December	15.4	17	13.95	15.3	3,342,423	3.05	-0.1
January	15.7	18.45	13.5	14.15	6,713,868	4.95	-1.55
Feb	14	15.15	12.05	12.35	1,046,731	3.1	-1.65
March	12.75	14.3	11.45	12.05	1,984,400	2.85	-0.7

Performance of equity shares in comparison with NSE NIFTY during the Financial Year 2009-10.



9.9 Registrar and Share Transfer Agent :

M/s Link Intime India Private Ltd.
 A-40, IInd Floor, Naraina Industrial Area, Phase-II, Naraina, New Delhi-110028, India
 Phone(s) +91-11-4141 0592, 93, 94
 Fax: +91-11-4141 0591

9.10 Share Transfer System :

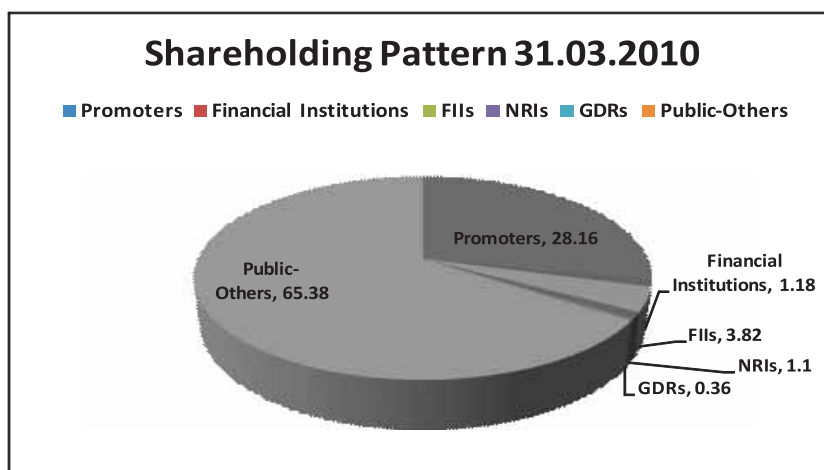
The Company has a sound share transfer process. For the purpose of making the share transfer process smooth and speedy; the Company has appointed M/s Link Intime India Private Ltd., as its share transfer agents. After the Share Transfer Agents complete the formalities of transfer/transmission, approval of transfer of shares in the physical form is done by the Share Transfer Committee of the Company. The Share Transfer Committee is constituted by the Company specifically for the above purpose, which meets periodically to approve share transfer/transmission etc. 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. The Company obtains a half yearly certificate of compliance from a practicing Company Secretary regarding the adherence to the timely transfer of shares as provided in clause 47 (c) of the Listing Agreement and files a copy of the same with the stock exchanges.

During the financial year 2009-2010, the Share Transfer Committee of the company met 17 times and 56 transfers were approved thereat for the transfer of 10,574 equity shares and transmission of 7,700 equity shares. The committee also approved re-mat request for 124 equity shares during the year under reporting.

9.11 Distribution of Shareholding and shareholding Pattern as on 31-03-2010

Shareholding of Nominal Value of Rs.	No. of Shareholders		No. of Shares held	Amount	
	Numbers	Percentage		Rs.	Percentage
Up to 2,500	30929	86.30	10,634,846	21,269,692	12.59
2,501-5,000	2725	7.60	4,931,187	9,862,374	5.84
5,001-10,000	1,189	3.32	4,490,754	8,981,508	5.31
10,001-20,000	477	1.33	3,610,257	7,220,514	4.27
20,001-30,000	162	0.45	2,055,093	4,110,186	2.43
30,001-40,000	85	0.24	1,532,460	3,064,920	1.81
40,001-50,000	42	0.12	969,270	1,938,540	1.15
50,001-1,00,000	117	0.33	4,326,508	8,653,016	5.12
1,00,001 and Above	112	0.31	51,956,590	103,913,180	61.48
Total	35,838	100.00	84,506,965	169,013,930	100.00

Shareholding Pattern of the Company as at 31st March, 2010



9.12 Dematerialization of Shares

At the end of the year 2009-10 around 98.44% of the equity shares of the Company are held in dematerialized form.

The Secretarial 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.

Liquidity:

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

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

The Company has repurchased and cancelled US\$ 19.5 million Foreign Currency Convertible Bonds due in 2011 (FCCBs) during the year under reporting out of US\$ 27 million 1% FCCBs allotted on 22.11.2006 to foreign investors with a maturity period of 5 years and one day. These bonds were convertible into the equity shares of the Company at any time before 13th November, 2011 (10 days prior to the maturity date). The principal amount of FCCBs outstanding after the repurchase and cancellation during the Financial Year under reporting is US\$ 7.5 million. As at 31st March, 2010 there were 3,01,750 equity shares of Rs. 2/- each (post split) which are represented by outstanding Global Depository Receipts.

The Company has also allotted 50,00,000 Warrants convertible into equity shares of the company to the identified promoter group companies under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a price of Rs. 13/- per warrant during the year under reporting. Each warrant entitles the holder to apply and be allotted one equity share of Rs. 2/- each in the share capital of the company upon payment of balance 75% consideration within a period of 18 month from the date of their allotment.

Plant Locations:

1. SP-30A, SP-30B, E-31, SP-76 (Part), SP-77 and SP-77A, Khushkhera Industrial Area, District Alwar, Rajasthan, India
2. Plot No. 37 Industrial Area, Dharuhera, District Rewari, Haryana, India

Registered Office:

C-125 Naraina Industrial Area, Phase-1, New Delhi-110 028, India

9.14 (i) Investors' Correspondence

(For Shares transfer/ dematerialisation of shares, payment of dividend, and any other query relating to the securities of the Company)

Link Intime India Private Ltd.
A-40, Naraina Industrial Area,
Phase-II, New Delhi-110 028, India
Phone(s) : +91-11-41410592,93,94 Fax: +91-11-4141 0591

(ii) Any query on Annual Report may be addressed to the Secretarial Deptt. of the Company or to the Registrars at the following addresses.

Secretarial Deptt.
Paramount Communications Ltd.
C-125, Naraina Industrial Area, Phase-1,
New Delhi - 110 028 India

E-mail Id for Investors Grievances : investors@paramountcables.com

Name of the Compliance Officer : Ratan Aggarwal
CFO and Company Secretary

AUDITORS CERTIFICATE

The Members

Paramount Communications Limited

We have examined the compliance of conditions of corporate governance by Paramount Communications Limited for the year ended on 31st March, 2010 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 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 the abovementioned 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. : 6107

Firm Reg. No. : 000129N

Place : New Delhi

Dated : 28th May, 2010

DECLARATION BY CHAIRMAN AND CEO ON COMPLIANCE OF CODE OF CONDUCT

The Members

Paramount Communications Limited

I hereby confirm that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year ended 31st March, 2010.

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

Date : 28th May, 2010

Place : New Delhi

**(Sanjay Aggarwal)
Chairman & CEO**

AUDITORS' REPORT

To the members of
PARAMOUNT COMMUNICATIONS LIMITED

1. We have audited the attached Balance Sheet of **PARAMOUNT COMMUNICATIONS LIMITED** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Place : New Delhi
Dated : 28th May, 2010

**(J.C. GUPTA)
PARTNER
M. No. 6107
Firm Registration Number: 000129N**

Annexure referred to in paragraph '3' of the Auditors' Report to the Members of Paramount Communications Limited on the accounts for the year ended March 31, 2010

- (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, some 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 Rs1,80,00,000/- and the year end balance of deposit granted to such party was Rs.1,80,00,000/-. (Refer Note No 23 of Schedule "V")
- (b) In our opinion, terms and conditions on which deposit has been given to party listed in the register maintained under Section 301 of Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company. No interest was charged from this party, since this is deposit against premises taken on rent.
- (c) As per stipulation no repayment was due from the party and no interest was charged from this party, since this was deposit against premises taken on rent. (Refer Note No 23 of Schedule "V").
- (d) There is no overdue amount of deposit granted to the party listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The company has taken deposits from two Companies covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,57,00,000/- and the year end balance of deposits taken from parties was Rs. 8,87,865/-.
- (f) In our opinion, the rate of interest and other terms and conditions on which deposits have been taken from Companies, firms or other parties listed in the register maintained under Section 301 of Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (g) The Company is regular in repaying the principal amounts as stipulated and also in the payment of interest where applicable in case of deposits taken from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (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 not come across nor have been informed of any continuing failure to correct major weaknesses in the 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, 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 regularly 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, 2010 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 Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	2,64,47,220	2003-04 & 2004-05	Appeal pending before Commissioner of Income Tax (Appeals)
	Income Tax	26,73,452	2005-06 & 2007-08	Appeal effects/ rectification to be done by Income Tax Authorities
Central Excise Act	Excise Duty	5,52,52,571	2007-08 & 2008-09	CESTAT
	Excise Duty	69,150	2007-08	Commissioner (appeals)
Finance Act	Service Tax	8,11,930	2008-09	Commissioner (appeals)
Customs Act	Custom Duty	18,36,570	2008-09	Commissioner (appeals)

- (x) The Company does not have accumulated losses as at the year ended March 31, 2010. Further, the Company has not incurred cash losses during the year ended March 31, 2010, however the company incurred cash losses in the immediately preceding financial year ended March 31, 2009.
- (xi) According to the records of the Company examined by us and on the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institution during the year. The Company has not issued debentures during the year.
- (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 a corporate from banks. According to the information and explanations given to us, we are of the opinion that the term and conditions thereof are not prime facie prejudicial to the interest of the company (Refer Note No 2 (i) & (ii) of Schedule "V").
- (xvi) We are informed that the Company has obtained term loans during the year and term loans were applied for the purposes for which the loans were obtained.
- (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) According to the information and explanation given to us the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by a public issue during the year. Accordingly, paragraph 4(xx) of the order is not applicable.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the year ended March 31, 2010.

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

**Place : New Delhi
Dated : 28th May, 2010**

**(J.C. GUPTA)
PARTNER
M. No. 6107
Firm Registration Number: 000129N**

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount (Rs.)	
I. SOURCES OF FUNDS					
1. Shareholders Funds:					
a) Share Capital	A	169,013,930		169,013,930	
b) Amount received against Warrants		16,250,000		—	
c) Reserves & Surplus	B	1,410,619,814	1,595,883,744	1,404,498,689	1,573,512,619
2. Loan Funds:					
a) Secured Loans	C	2,757,978,062		2,138,502,042	
b) Unsecured Loans	D	338,819,937	3,096,797,999	1,382,130,000	3,520,632,042
3. Foreign Currency Monetary Item Translation Difference Account (FCMITDA)					
	E		19,709,863		(69,451,200)
4. Deferred Tax:					
a) Deferred Tax Liabilities		122,320,397		145,745,074	
b) Less: Deferred Tax Assets		122,320,397	—	145,745,074	—
			4,712,391,606		5,024,693,461
II. APPLICATION OF FUNDS					
1. Fixed Assets:					
a) Gross Block	F	2,101,483,990		1,933,296,301	
b) Less: Depreciation		505,092,341		387,829,614	
		1,596,391,649		1,545,466,687	
c) Add: Capital work-in progress	G	82,671,640	1,679,063,289	369,060,647	1,914,527,334
2. Investments					
	H		273,971,001		273,971,001
3. Current Assets, Loans & Advances:					
a) Inventories	I	2,026,956,580		1,899,530,664	
b) Sundry Debtors	J	1,540,566,206		1,302,584,160	
c) Cash & Bank Balances	K	82,642,238		90,540,000	
d) Loans & Advances	L	413,864,375		497,596,830	
		4,064,029,399		3,790,251,654	
Less: Current Liabilities & Provisions	M	1,304,672,083		954,056,528	
Net Current Assets			2,759,357,316		2,836,195,126
			4,712,391,606		5,024,693,461
NOTES ON ACCOUNTS					
	V				

As per our separate report of even date attached
For Jagdish Chand & Co.,
 Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	Year ended 31.03.2010 Amount(Rs.)	Year ended 31.03.2009 Amount(Rs.)
I. INCOME			
Gross sales less returns		3,685,499,204	4,923,882,998
Less: Excise duty		247,799,163	446,219,422
Net sales		3,437,700,041	4,477,663,576
Other Income	N	491,945,128	35,676,444
Increase/(Decrease) in stock	O	5,786,692	(237,231,048)
		3,935,431,861	4,276,108,972
II. EXPENDITURE			
Materials	P	2,832,963,035	3,499,320,245
Manufacturing, Selling & Other expenses	Q	525,609,900	606,775,419
Increase/(decrease) excise duty on stock		7,974,394	(75,796,635)
Payment to and Provision for Employees	R	99,435,396	88,349,360
Managerial Remuneration	S	6,908,191	4,091,900
Financial Charges	T	330,511,512	355,088,738
Depreciation & Amortisation	U	120,669,939	115,569,762
Amortisation of FCMITDA (Net)		3,715,703	34,725,600
		3,927,788,070	4,628,124,389
III. PROFIT/(LOSS) BEFORE TAX (I-II)		7,643,791	(352,015,417)
Less: PROVISION FOR TAXATION			
-Current tax		1,345,966	200,000
-Deferred tax		—	(64,596,496)
-Fringe Benefit tax		—	2,000,000
IV. PROFIT/(LOSS) AFTER TAXATION		6,297,825	(289,618,921)
Less: TAXATION FOR EARLIER YEARS			
-Current tax		(12,000)	5,032,855
-Deferred tax		—	(1,338,713)
-Fringe Benefit Tax		29,776	300,000
V. NET PROFIT/(LOSS)		6,280,049	(293,613,063)
Add: Balance brought forward from last year		550,556,349	844,169,412
VI. PROFIT AVAILABLE FOR APPROPRIATION		556,836,398	550,556,349
VII. LESS: APPROPRIATIONS		—	—
VIII. PROFIT CARRIED TO BALANCE SHEET		556,836,398	550,556,349
EARNING PER SHARE:			
-Basic		0.07	(3.47)
-Diluted		0.06	(2.60)
NOTES ON ACCOUNTS	V		

As per our separate report of even date attached
For Jagdish Chand & Co.,
 Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

S.NO. PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and extraordinary items	7,643,791	(352,015,417)
Adjustment for:		
Depreciation (Net)	120,669,939	115,569,762
Financial Charges (Net)	330,511,512	355,088,738
Loss on sale/disposal of fixed assets (Net)	1,776,030	(3,329)
Gain on FCCB Buy Back	(456,491,290)	—
Amortisation of FCMITDA (Net)	3,715,703	34,725,600
Provision for leave encashment	775,119	3,646,462
Operating profit before working capital changes	8,600,804	157,011,816
Adjustment for:		
Trade & Other receivables	(152,167,389)	266,722,387
Inventories	(127,425,916)	215,189,071
Trade payables	364,270,875	(161,700,556)
Provision for loss on Derivative / Exchange option	(14,430,439)	(2,354,201)
Cash generated from operations	78,847,935	474,868,517
Direct tax paid/ Refund	(3,445,944)	(16,913,258)
Cash flow before exceptional items	75,401,991	457,955,259
Extraordinary items	—	—
Net cash from operating activities	75,401,991	457,955,259
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and other capital expenditure	33,840,571	(347,931,586)
Sale of fixed assets/ rebate received on Land from RIICO	23,775,980	500,435
Net cash used in investing activities	57,616,551	(347,431,151)
C) CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings (Net of repayments)	745,339,557	200,342,975
Proceeds from Short term borrowings	—	(348,968,530)
Proceeds from Warrants	16,250,000	—
Working capital facilities from Bank	(103,610,589)	519,345,521
Hire purchase finance (Net of repayments)	3,346,263	(866,785)
FCCBs buyback	(472,618,710)	—
Directors deposits	—	—
Intercorporate deposits including interest accrued & due	888,687	(8,919,350)
Sales tax Deferment	—	(28,790,103)
Financial Charges (Net)	(330,511,512)	(355,088,738)
Dividend paid	—	(33,802,786)
Corporate Dividend Tax Paid	—	(5,744,783)
Net cash received/(used) from financial activities	(140,916,304)	(83,810,426)

(Amount in Rs.)

S.NO. PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,897,762)	26,713,682
Cash and cash equivalents as at 31st March, 2009 (Opening Balance)	90,540,000	63,826,318
Cash and cash equivalents as at 31st March, 2010 (Closing Balance)	82,642,238	90,540,000
Note:		
1. Cash and cash equivalents includes:		
Cash and bank balances	4,598,161	13,175,689
Fixed Deposits under lien/ custody with banks/sales tax department	78,044,077	77,364,311
Total cash and cash equivalents as per balance sheet	82,642,238	90,540,000
2. Figures in brackets represent cash outflow.		

As per our separate report of even date attached

For Jagdish Chand & Co.,

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

SCHEDULES	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount(Rs.)	
SCHEDULE : A SHARE CAPITAL				
Authorised 175,000,000 Equity Shares of Rs. 2/- each		350,000,000		350,000,000
Issued, Subscribed & Paid up* 84,506,965 Equity Shares of Rs. 2/- each		169,013,930		169,013,930
		169,013,930		169,013,930
*Note: 15,525,800 equity shares of Rs. 2/- each were allotted as fully paid up by way of bonus shares by capitalising Securities Premium Account during FY 2001-02				
SCHEDULE : B RESERVES & SURPLUS				
Capital Reserve				
Capital Investment Subsidy	3,000,000		3,000,000	
Profit on Issue of forfeited shares	31,100	3,031,100	31,100	3,031,100
Revaluation Reserve				
Opening Balance	9,627,120		9,801,309	
Less: Transfer to Profit & Loss Account	158,924	9,468,196	174,189	9,627,120
Securities Premium Account		816,001,234		816,001,234
General Reserve				
Opening Balance	25,282,886		109,611,754	
Less: Transferred to Fixed Assets for Revaluation of Foreign Currency Monetary Items for earlier years (net of tax)	—		32,251,958	
Less: Transferred to FCMITDA for earlier years	—		52,930,800	
Add: Depreciation written back for earlier years	—	25,282,886	853,890	25,282,886
Profit & Loss Account (As per annexed Account)		556,836,398		550,556,349
		1,410,619,814		1,404,498,689
SCHEDULE : C SECURED LOANS				
- Term Loan from Banks (Repayable within one year Rs. 10,00,00,000/- Previous year Rs. 2,50,00,000)	1,081,234,042		376,592,986	
Interest Accrued & Due	4,827,031	1,086,061,073	2,871,284	379,464,270
- Loan from Financial Institution	21,978,430		10,817,250	
Interest Accrued & Due (Repayable on maturity of the Insurance Policy)	1,982,363	23,960,793	—	10,817,250
- Working Capital facilities from Banks	1,639,063,038		1,743,319,639	
Interest Accrued & Due	5,440,422	1,644,503,460	4,794,410	1,748,114,049
- Hire Purchase Finance		3,452,736		106,473
		2,757,978,062		2,138,502,042

SCHEDULES	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount(Rs.)	
SCHEDULE : D UNSECURED LOANS				
-Inter Corporate Deposits		888,687		—
-Foreign Currency Convertible Bonds (FCCBs)		337,931,250		1,382,130,000
		338,819,937		1,382,130,000
SCHEDULE : E FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)				
Opeing Balance	(69,451,200)		—	
During the Year	85,445,360		(157,107,600)	
Transferred from Genral Reserve for earlier years	—		52,930,800	
	15,994,160		(104,176,800)	
Less: Charged to Profit & Loss Account	(3,715,703)	19,709,863	(34,725,600)	(69,451,200)
		19,709,863		(69,451,200)

**SCHEDULE : F
FIXED ASSETS**

S. No.	Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01.04.09	Additions	Ded./ Adj.	As at 31.03.10	As at 01.04.09	For the Year	Ded./ Adj.	As at 31.03.10	As at 31.03.10	As at 31.03.09
1.	Land	12621330	—	—	12621330	—	—	—	12621330	12621330	12621330
2.	Land (Leasehold)	308507456	—	22479689	286027767	—	—	—	286027767	308507456	308507456
3.	Buildings	229894086	112949877	—	342843963	33194542	11367072	—	44561614	298282349	196699544
4.	Plant & Machinery	1249288194	75693984	3018056	1321964122	322763094	96747951	2261202	417249843	904714278	926525100
5.	Electrical Fitting & Equipments	56247721	2230326	1633644	56844404	11949061	2753163	849242	13852982	42991421	44298660
6.	Furniture & Fixtures	19905517	582617	—	20488134	4039783	1229869	—	5269652	15218483	15865734
7.	Vehicles	24982306	4737861	1986760	27733407	8145559	3120533	455692	10810400	16923007	16836747
8.	Assets acquired under Hire Purchase: -Vehicles	4737861	1023670	—	5761531	1026963	—	—	1026963	4734568	3710898
9.	Intangible Assets -Software	27111828	87504	—	27199332	6710612	5610275	—	12320887	14878445	20401216
	Total:	1933296300	197305839	29118149	2101483990	387829614	120828863	3566136	505092341	1596391649	1545466685
	Previous Year	1547644581	388753354	3101636	1933296300	275544082	115743951	3458420	387829614	1545466685	1272100499

Notes:

- Land includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation Rs.7,650,950/-
- Building includes addition made due to revaluation as on 31st March,1994 in erstwhile Paramount Cable Corporation Rs.7,406,534/-
- Amount of Depreciation pertaining to revaluation in case of Building. Rs. 158,924/-
- Title deeds of factory land at prahladpur, Bawana Road, Delhi-110 042 are in the name of erstwhile Paramount Cable Corporation.
- Title deeds of a part of factory land measuring 954.50 sq. mtr.at prahladpur, Bawana Road, Delhi-110042 shown in Balance Sheet at Rs.23,86,250 are yet to be registered in the name of the Company.
- Title deeds of a part of land (leasehold) Rs. 6,17,61,000/- (Previous Year Rs. 6,17,61,000) are pending registration in the name of the Company.
- Carrying value of Assets acquired under hire purchase as on 31.03.2010 exlude the amount related to hire purchase agreement settled during the current year.
- Additions are after adjusting exchange gain (net) of Rs. 5,52,42,598/- (Previous year exchange loss (net) Rs. 9,61,63,200/-).
- Deductions in Land (Leasehold) include rebate received from RIICO Rs. 2,24,79,689/- during the year.
- Write back of depreciation Rs. NIL (Previous Year 8,53,890/-) for earlier years on account foreign exchange difference arising on Long Term Foreign Currency Monetary Items has been included in "DEPRECIATION - DEDUCTIONS".

SCHEDULES	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount(Rs.)	
SCHEDULE : G				
CAPITAL WORK IN PROGRESS				
- Capital work in progress		17,699,463		186,173,400
- Capital Advances		64,972,177		171,423,085
- Constrction Period Expesnes pending allocation		—		11,464,162
		82,671,640		369,060,647
SCHEDULE : H				
INVESTMENTS				
Long Term :				
Unquoted				
-Trade				
- 2,558,000 Equity Shares of Rs. 10/- each of Paramount Wires & Cables Ltd, fully paid		25,580,000		25,580,000
Subsidiary:				
Paramount Holdings Limited, Cyprus				
- 3600 equity shares of CYP 1 each, fully paid		248,223,001		248,223,001
-Others				
- 4800 Equity Shares of Rs. 10/- each of Haryana Financial Corporation, fully paid		168,000		168,000
		273,971,001		273,971,001
SCHEDULE : I				
INVENTORIES				
(As taken, valued and certified by the management)				
Stores, Spares & Consumables		9,007,616		7,599,953
Raw Materials		462,494,176		343,120,866
Stock in process		765,939,538		695,118,553
Finished goods		781,389,611		849,408,779
Packing materials		4,178,719		3,320,468
Scrap		3,946,920		962,045
		2,026,956,580		1,899,530,664
SCHEDULE : J				
SUNDRY DEBTORS				
(Unsecured, Considered Good)				
- Over six months	326,308,209		269,365,885	
- Other Debts	1,214,257,997	1,540,566,206	1,033,218,275	1,302,584,160
		1,540,566,206		1,302,584,160

SCHEDULES	As at 31.03.2010 Amount (Rs.)		As at 31.03.2009 Amount (Rs.)	
SCHEDULE : K CASH & BANK BALANCES				
Cash Balances including imprest		3,092,469		5,181,211
Balance with scheduled Banks:				
- Current Accounts	1,505,692		7,994,478	
- Fixed deposits	78,044,077	79,549,769	77,364,311	85,358,789
		82,642,238		90,540,000
SCHEDULE : L LOANS AND ADVANCES (Unsecured, Considered Good)				
Advance Recoverable in cash or in kind or for value to be received		106,458,965		163,466,478
Loans and Advances to workers & staff		2,622,070		3,400,811
Earnest Money / Security Deposits		32,060,092		35,982,006
Amount Recoverable from Government Authorities		48,143,909		71,168,376
Advance Tax (Net of Provisions)		15,393,437		13,311,235
Balance with Excise Authorities		209,185,902		210,267,924
		413,864,375		497,596,830
SCHEDULE : M CURRENT LIABILITIES				
- Sundry Creditors				
- Total outstanding dues to Micro and Small enterprises	14,682,712		422,612	
- Total outstanding dues to creditors other than Micro and Small enterprises	1,182,572,794		834,044,957	
- Other Liabilities	80,922,848		78,598,562	
- Advances and deposits	17,826,138		11,499,070	
Investor Education and Protection Fund Shall be credited by the following amount namely:-*				
- Unclaimed dividend	1,108,628		1,363,126	
- Interest accrued but not due	—	1,297,113,120	6,913,918	932,842,245
PROVISIONS				
- Loss on Derivative / Exchange option	—		14,430,439	
- Leave Encashment	7,558,963	7,558,963	6,783,844	21,214,283
		1,304,672,083		954,056,528
* No amount is due as on 31st March, 2010 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				

SCHEDULES	Year ended 31.03.2010 Amount(Rs.)		Year ended 31.03.2009 Amount(Rs.)	
SCHEDULE : N OTHER INCOME				
Provision for loss on derivative written back		2,853,235		—
Profit on sale of Fixed Assets		—		3,329
Insurance Claim Received		2,218,494		19,284
Gain on FCCB Buy Back		456,491,290		—
Duty Drawback		14,196,330		25,943,572
Liability Written Back		15,920,175		8,513,182
Interest on Income Tax Refund		155,793		—
Miscellaneous		109,811		1,197,077
		491,945,128		35,676,444
SCHEDULE : O INCREASE/(DECREASE) IN STOCK				
Opening Stock				
-Finished Goods	849,408,779		954,560,393	
-Stock in Process	695,118,553		815,604,992	
-Scrap	962,045	1,545,489,377	12,555,040	1,782,720,425
Less: Closing Stock				
-Finished Goods	781,389,611		849,408,779	
-Stock in Process	765,939,538		695,118,553	
-Scrap	3,946,920	1,551,276,069	962,045	1,545,489,377
		5,786,692		(237,231,048)
SCHEDULE : P MATERIALS				
Raw Materials				
- Opening Stock	343,120,866		326,588,060	
Add: Purchases	2,931,410,407		3,515,853,051	
	3,274,531,273		3,842,441,111	
Less: Closing Stock	462,494,176	2,812,037,097	343,120,866	3,499,320,245
Traded items				
- Opening Stock	—		—	
Add: Purchases	20,925,938		—	
	20,925,938		—	
Less : Closing Stock	—	20,925,938	—	—
		2,832,963,035		3,499,320,245
SCHEDULE : Q MANUFACTURING, SELLING & OTHER EXPENSES				
Stores & Spares Consumed		20,302,640		26,861,276
Packing material Consumed		113,616,565		78,777,349
Conversion Charges		22,949,430		44,695,049
Power, Fuel & Lighting		76,226,628		96,241,472
Labour charges		57,807,070		63,213,467
Repairs & Maintenance:				
-Plant & Machinery	13,263,369		18,568,673	
-Building	173,053		929,664	
-Others	1,979,451	15,415,873	799,751	20,298,088
Rent		24,135,284		25,840,041
Freight, Octroi & Cartage (Net)		35,447,297		47,508,090

SCHEDULES	Year ended 31.03.2010 Amount(Rs.)		Year ended 31.03.2009 Amount(Rs.)	
Rebate,Discount, Commission on Sales		40,928,239		85,991,390
Rates & Taxes		737,715		1,361,710
Insurance		8,547,005		9,358,209
Travelling & Conveyance (Net)		21,386,180		19,316,141
Advertisement & Publicity		15,669,218		1,494,708
Payment to Auditors				
-Audit Fee	840,000		840,000	
-Tax Audit fee	100,000		100,000	
-Taxation Matters	20,000		20,000	
-Others	122,000		40,000	
-Out of pocket expenses(Including service tax)	55,260	1,137,260	106,629	1,106,629
Donations		733,600		340,000
Communication Expenses		7,290,902		7,696,619
Share Transfer Expenses		113,312		124,833
Bad Debts written off		8,209,160		15,696,857
Foreign Exchange Fluctuation (net)		15,212,584		14,077,889
Miscellaneous Expenses		37,967,908		40,789,962
Loss on sale/disposal of fixed assets (Net)		1,776,030		—
Loss on Derivative / Exchange option		—		5,985,640
		525,609,900		606,775,419
SCHEDULE : R PAYMENTS TO AND PROVISION FOR EMPLOYEES				
Salaries, Wages, Bonus & Other Benefits		89,901,808		78,880,815
Contribution to Provident & Other Funds		4,811,227		4,866,190
Welfare Expenses		4,722,361		4,602,355
		99,435,396		88,349,360
SCHEDULE : S MANAGERIAL REMUNERATION				
Salaries		4,510,000		2,160,000
House Rent		1,200,000		1,200,000
Perquisites		291,491		209,200
Directors Meeting Fees		365,500		263,500
Contribution to Provident & Other Benefits		541,200		259,200
		6,908,191		4,091,900
SCHEDULE : T FINANCIAL CHARGES				
Interest				
- Working Capital Facilities (Net)	200,766,791		244,460,445	
- Term Loan	61,778,877		27,538,671	
- FCCBs	9,509,847		14,388,914	
- Others	9,315,300	281,370,815	23,659,752	310,047,782
Bank Charges & Commission		49,140,697		45,040,956
		330,511,512		355,088,738
SCHEDULE : U DEPRECIATION				
On Fixed Assets	120,828,863		115,743,951	
Less: Transfer from Revaluation Reserve	158,924	120,669,939	174,189	115,569,762
		120,669,939		115,569,762

SCHEDULE : V

Notes to Accounts for the year ended 31st March, 2010

1. SIGNIFICANT ACCOUNTING POLICIES

- a) The accounts have been prepared under the historical cost convention except where otherwise stated.
- b) **Fixed Assets**
- 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.
 - Fixed Assets are stated at cost including allocated costs or valuation less accumulated depreciation.
 - 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.
 - The cost of capitalised software is amortised over a period of five years from the date of its acquisition.
 - Depreciation is provided on Written - Down Value Method on buildings added upto 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.
 - No write off is being made in respect of leasehold land, as the lease is a long lease.
- c) **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.
- d) **Inventories**
- 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 process 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.
 - Cost of Raw Material is determined on weighted average basis. Work- in-process 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.
- e) **Foreign Currency Transactions**
- Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
 - 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.
 - 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 amortised over the balance period of such long term monetary item but not beyond 31st March, 2011.

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

f) 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.

g) 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.

h) 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.

i) 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.

j) Preliminary Expenses

Public Issue expenditures are being written off against securities premium, net of taxes, in the year of issue.

k) 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.

l) 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.

2. CONTINGENT LIABILITIES

- i. Guarantee of Rs. 5,00,00,000/- (Previous Year Rs. 5,00,00,000/-) given to a Bank for credit facilities given to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2010 Rs. 97,63,962/- (Previous year Rs.95,05,496/-) for fund based limits and Rs. NIL (Previous year Rs.NIL) for non-fund based limits.
 - ii. The Company has executed a parental guarantee in favour of One North East, UK, an agency of British Government responsible for promoting investment in U.K., on behalf of its wholly owned subsidiary, AEI Cables Limited for guaranteeing the repayment of Grant of Rs. 3,43,50,000/- (sterling pounds 5,00,000) (previous year Rs. 3,69,15,000/- (sterling pounds 5,00,000)) extended to it together with the interest at the rate of 1.5 percentage points above the UK base rate of Bank of England calculated from the date of first demand to AEI Cables Limited till the date of actual payment, in case AEI Cables Limited fails to observe the terms and conditions stipulated in the offer letter while giving the Grant.
 - iii. Unused letter of credit outstanding Rs. 28,28,44,807/- (Previous year Rs. 6,36,87,737/-)
 - iv. Financial Bank Guarantees outstanding Rs. 2,94,33,278/- (Previous year Rs. 2,50,11,913/-)
 - v. Outstanding Bills discounted Rs. 12,10,44,102/- (Previous year Rs. 20,70,72,925/-).
 - vi. Effect of Income tax demands/disallowances against which appeal/rectifications have been filed by the company is Rs. 2,95,18,775/- (Previous year Rs.31,05,522/-)
 - vii. Excise and Service tax demands under appeal Rs. 5,61,33,651/-(Previous year Rs. 2,73,32,535/-)
 - viii. Custom duty demand under appeal Rs. 18,36,570/- (Previous year Rs. NIL)
 - ix. Claim pending against company not acknowledged as debt Rs. 25,80,254/- (Previous year Rs. NIL)
3. 1% Foreign Currency Convertible Bonds ('FCCBs') have an option to convert these bonds into Equity Shares at an initial conversion rate of Rs.265/- per share (Rs.53/- per share post-split) at a fixed exchange rate (Rs.44.99 = US\$1). The conversion price will be reset on the first, second and third anniversaries of the Bonds. The conversion price has been reset on the first anniversary of the Bonds at Rs. 213 (Rs. 42.60 per share post-split). The reset conversion price can not be lower than Rs. 213 (Rs. 42.60 per share post-split) or the applicable reset floor price as prescribed by SEBI from time to time. The conversion price will be subject to certain adjustments as detailed in the offering circular such as dilution, bonus, dividends, right issue, special dividend etc. Unless previously converted, redeemed or repurchased or cancelled, the Company will redeem these bonds at 145.54 percent of the principal amount on 23rd November, 2011. Up to March 31, 2010 out of the total issue, FCCBs aggregating to USD 19.50 Million have been repurchased at discount. Balance of 'FCCBs' of USD 7.50 Million outstanding as on March, 31, 2010 have been included and disclosed in the schedule of "Unsecured Loans". In view of these developments the Company expects that no premium would be payable and on that basis the same is not provided for. However, the premium, if paid would be adjusted against the Securities Premium Account. Accordingly maximum premium amount payable being Rs. 15,38,93,891/- (Previous year Rs. 62,94,22,002/-) would be accounted for and adjusted against Securities Premium Account in the year of such redemption or repurchase or cancellation.
4. Estimated amount of contracts (net of advances) remaining to be executed on capital account Rs. 15,25,67,000/- (Previous year Rs. 26,08,14,000/-)
5. 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 and 2nd Pari-Passu charge on present and future fixed assets other than land and building at Prahaladpur, Bawana Road, Delhi. Further they are secured by personal guarantees of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal, Directors of the Company.
- ii. Term loans from banks are secured by 1st pari-passu charge on present and future fixed assets of the company other than land and building at Prahaladpur, Bawana Road, Delhi and 2nd pari-passu charge on present and future current assets of the Company. Further they are secured by personal guarantees of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal, Directors of the Company.

- iii. Hire Purchase Finance is secured against assets financed from it.
- iv. Loan from Financial Institution is secured against surrender value/ maturity value of keyman insurance policy of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal, Directors of the Company.
6. Fixed Deposits with banks amounting to Rs. 7,80,44,077/- (Previous year Rs. 7,73,64,311/-) are under lien/custody with banks/ sales tax department.
7. During the year the Company has allotted 5,000,000 (Fifty Lakhs) Warrants on Preferential basis. The Warrant holders have option of subscribing one equity shares of face value of Rs.2/- each per Warrant at a price of Rs.13/- per equity share any time up to 8th June, 2011. Proceeds from issue of warrants have been utilized as per objects of the issue.
8. Interest on working capital facilities has been shown net of interest earned by the company Rs. 1,08,90,394/-(Previous Year Rs.1,66,65,698/-).
9. During the year 1% Foreign Currency Convertible Bonds ('FCCBs') of USD 19.50 million have been bought back. This has resulted in profit of Rs. 45,64,91,290/- (Previous Year Rs.NIL) which has been included under 'Other Income'. Prorata exchange difference on these 'FCCBs' transferred to 'Foreign Currency Monetary Item Translation Difference Account ('FCMITDA') has been written off to Profit & loss account.
10. As per changes made in AS 11 vide Companies(Accounting Standards) Amendment Rules 2009, 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 gain (net) Rs. 5,52,42,598/-(Previous year Exchange Loss(Net) Rs. 9,61,63,200/-) 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. Insurance Premium of Rs.37,93,545/- (Previous Year Rs. 37,96,025/-) on Keyman Insurance Policy has been charged to Profit & Loss Account. Maturity value of such policies will be accounted for on receipt basis.
12. 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.
13. Following expenses were capitalized and allocated to fixed assets:

Particulars	Year ended 31.03.2010 Amount (Rs.)	Year ended 31.03.2009 Amount (Rs.)
Opening Balance	1,14,64,162	—
Stores, Spares & Consumables	—	15,33,527
Payment to and provision for employees	—	54,07,531
Interest on Term Loan	40,55,178	1,09,11,272
Total	1,55,19,340	1,78,52,330
Less: Allocated to fixed assets	1,55,19,340	63,88,168
Net Capital expenditure pending allocation	—	1,14,64,162

14. Deferred Tax Assets and Liabilities are attributable to following items:

Particulars	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
Assets:		
FCCB / GDR Issue Expenses	62,38,763	97,79,982
Leave Encashment	26,15,708	23,05,828
Carried Forward Loss	—	7,77,24,222
Unabsorbed Depreciation	11,34,65,926	5,59,35,042
Total:	12,23,20,397	14,57,45,074
Liabilities:		
Depreciation	12,23,20,397	14,57,45,074
Total:	12,23,20,397	14,57,45,074

Note: - 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.

15. Earning Per Share pursuant to Accounting Standard- 20 ("AS-20") has been calculated as follows:

Particulars	Year ended 31.03.2010 Amount (Rs.)	Year ended 31.03.2009 Amount (Rs.)
Net Profit/(Loss) after taxation	62,80,049	(29,36,13,063)
Weighted average number of equity shares for Basic EPS	8,45,06,965	8,45,06,965
Add: Adjustment for weighted FCCBs outstanding convertible in equity shares	1,89,62,117	2,85,14,789
Add: Adjustment for weighted warrants outstanding having option to subscribe equity shares (Refer note '7' Schedule 'V')	15,47,945	—
Weighted average number of equity shares for Diluted EPS	10,50,17,027	11,30,21,754
Basic Earning Per Share	0.07	(3.47)
Diluted Earning Per Share	0.06	(2.60)
Face Value Per Share	2.00	2.00

16. Following reimbursements from AEI Cables Limited for the portion of expenses attributable to them have been netted off from respective account heads:

Particulars	Year ended 31.03.2010 Amount (Rs.)	Year ended 31.03.2009 Amount (Rs.)
Travelling & Conveyance	10,09,664	12,36,993
Total:	10,09,664	12,36,993

17. In view of the inadequate profit, minimum managerial remuneration as approved and as per the Companies Act, 1956 has been paid / provided.
18. Sundry Debtors include due from Paramount Wires & Cables Limited, in which Company holds 44.49% of shareholding, Rs. 5,58,62,311/- (Previous year Rs. 25,75,30,697/-)
19. Sundry Debtors include due from AEI Cables Limited, a subsidiary of the company Rs.10,28,93,415/- (Previous year Rs 4,84,31,738/-) and Sundry Creditors include due to AEI Cables Limited, a subsidiary of the company Rs. 19,61,403/- (Previous year Rs 4,90,622/-).

20. Loans & advances include due from Paramount Holdings Limited, a subsidiary of the company Rs. 23,73,880/- (Previous year Rs 6,33,225/-) Maximum Balance outstanding during the year Rs. 23,73,880/- (Previous year Rs. 6,33,225/-).
21. Loans & Advances include Security Deposit given to Paramount Telecables Limited for premises taken on rent Rs. 1,80,00,000/- (Previous year Rs. 1,80,00,000) Maximum Balance outstanding during the year Rs. 1,80,00,000/- (Previous year Rs. 1,80,00,000/-).
22. Loans and Advances include recoverable from Shri Sanjay Aggarwal, Chairman & CEO and Shri Sandeep Aggarwal, Managing Director of the Company on account of remuneration paid in excess of minimum remuneration due to unforeseen losses during the year Rs. NIL (Previous year Rs.6,95,776). Maximum Balance outstanding during the year Rs. 6,95,776/- (Previous year Rs. 6,95,776/-).
23. Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:

Loans and Advances in the nature of Loans given to Associates:

Name	As at 31.03.10	Maximum Balance during 2009-10	As at 31.03.09	Maximum Balance during 2008-09
Paramount Telecables Limited	1,80,00,000/-	1,80,00,000/-	1,80,00,000/-	1,80,00,000/-

Note: Security deposit for premises taken on rent by the Company and adjustable/refundable as per terms & conditions. Paramount Telecables Limited has not invested in shares of the company.

24. 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.
25. (a) Fixed Assets taken on lease on or after 1st April, 2001 include motor vehicles at an aggregate cost of Rs. 57,61,531/- (Previous year Rs.47,37,861/-) with future lease obligation by way of lease rental as follows:

(In Rs.)

Due	Total Minimum lease payments outstandings		Future Interest on outstandings		Present value of minimum lease payments	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Within one year	10,41,300	1,07,708	3,79,036	1,236	6,62,264	1,06,472
Later than one year and not later than five years	33,84,225	—	5,93,753	—	27,90,472	—
Total:	44,25,525	1,07,708	9,72,789	1,236	34,52,736	1,06,472

- (b) Operating Leases- Other than non-cancelable

The Company has entered into lease transactions during the current financial year mainly for leasing of factory / office premises and company leased accommodations for its employees for periods upto 10 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss account amount to Rs. 2,53,35,284/- (Previous year Rs. 2,70,40,041/-) for the leases, which commenced on or after April 1, 2001.

26. Due to Micro, Small and Medium Enterprises

Sundry creditors include Rs. 1,46,82,712/- (Previous year Rs. 4,22,612/-) due to micro and small enterprises covered under 'The Micro, Small and Medium Enterprises Development Act, 2006' to the extent such parties have been identified from the available information. The Company has not received any claim for interest from any party covered under the said Act.

27. (a) (i) The Company has following outstanding Currency Swaps for hedging purpose at the year end:

PARTICULARS	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
Forward Contracts (net)	40,55,17,500	25,59,50,000

- (ii) For Hedging Commodity Related Risks:

PARTICULARS	As at 31.03.2010 (In MTs)	As at 31.03.2009 (In MTs)
Future Copper purchase	—	100

- (b) (i) Unhedged amount payable in foreign currency:-

Particulars	As at 31.03.2010			As at 31.03.2009		
	Amount (Rs.)	Amount in foreign currency	Foreign currency	Amount (Rs.)	Amount in foreign currency	Foreign currency
Import of Goods	7,61,32,521	17,22,876	USD	11,16,23,535	22,39,475	USD
	19,61,403	28,550	GBP	4,90,622	6,341	GBP
Payables	48,36,925	1,07,350	USD	4,31,52,227	8,43,087	USD
FCCBs	33,79,31,250	75,00,000	USD	1,38,21,30,000	2,70,00,000	USD
Foreign Currency Term Loans	45,05,75,000	1,00,00,000	USD	—	—	—

- (ii) Unhedged amount receivable in foreign currency:-

Particulars	As at 31.03.2010			As at 31.03.2009		
	Amount (Rs.)	Amount in foreign currency	Foreign currency	Amount (Rs.)	Amount in foreign currency	Foreign currency
Export of Goods	6,43,83,803	14,41,805	USD	8,90,07,942	17,53,678	USD
	10,28,93,415	15,25,420	GBP	4,84,31,738	6,67,909	GBP
Advances	83,148	1,862	USD	1,79,74,950	4,20,000	USD
	15,66,603	25,770	EURO	—	—	—
Receivables	23,73,880	35,500	EURO	6,33,225	10,000	EURO

28. 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:

Particulars	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
Contributory Provident Fund & Employees Pension Scheme, 1995	53,52,427	51,25,390

Defined Benefit Plan

The company is having following Defined Benefit Plans:

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

(In Rupees)

	Gratuity (Funded) 2009-10	Leave Encashment (Unfunded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2008-09
a) Actuarial Assumptions				
Discount rate	8	7.7	8	7.6
Expected rate of return on assets	8	—	8	—
Expected rate of future salary increase	8	6	7	6
b) Reconciliation of opening and closing balances of Defined Benefit obligation				
Present value of obligations as at beginning of year	97,50,118	67,83,844	82,37,446	31,37,382
Interest cost	7,80,009	5,15,572	6,58,996	2,50,991
Current Service Cost	20,12,738	12,21,282	10,75,712	19,31,140
Benefits paid	—	(6,69,944)	(12,55,619)	(6,05,255)
Actuarial (gain)/loss on Obligations	(12,47,836)	(2,91,791)	10,33,583	20,69,586
Present value of obligations as at end of year	1,12,95,029	75,58,963	97,50,118	67,83,844
c) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets as on beginning of year	96,22,514	—	91,28,488	—
Expected return on plan assets	8,16,495	—	7,20,267	—
Contributions	11,67,353	—	10,05,316	—
Benefits paid	—	—	(12,55,619)	—
Actuarial Gain/(Loss) on Plan assets	37,653	—	24,062	—
Fair value of plan assets at the end of year	1,16,44,015	—	96,22,514	—
d) Fair value of plan assets as on 31.03.2010				
Fair value of plan assets at beginning of year	96,22,514	—	91,28,488	—
Actual return on plan assets	8,54,148	—	7,44,329	—
Contributions	11,67,353	—	10,05,316	—
Benefits paid	—	—	(12,55,619)	—
Fair value of plan assets at the end of year	116,44,015	—	96,22,514	—
Funded status	3,48,986	(75,58,963)	(1,27,604)	(67,83,844)
Excess of Actual over estimated return on plan	37,653	—	24,062	—
e) Actuarial (Gain)/Loss recognized for the year				
Actuarial (gain)/Loss for the year - Obligation	(12,47,836)	(2,91,791)	10,33,583	20,69,586
Actuarial (gain)/Loss for the year - plan assets	(37,653)	—	(24,062)	—
Total (gain)/Loss for the year	(12,85,489)	(2,91,791)	10,09,521	20,69,586
Actuarial (gain)/Loss recognized in the year	(12,85,489)	(2,91,791)	10,09,521	20,69,586

(In Rupees)

		Gratuity (Funded) 2009-10	Leave Encashment (Unfunded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2008-09
f)	The amounts recognized in the balance sheet				
	Present value of obligations as at the end of year	1,12,95,029	75,58,963	97,50,118	67,83,844
	Fair value of plan assets as at the end of the year	1,16,44,015	—	96,22,514	—
	Funded status	3,48,986	(75,58,963)	(1,27,604)	(67,83,844)
	Net Asset/(liability) recognized in balance sheet	3,48,986	(75,58,963)	(1,27,604)	(67,83,844)
g)	Expenses Recognized in statement of profit & Loss				
	Current Service Cost	20,12,738	12,21,282	10,75,712	19,31,140
	Interest cost	7,80,009	5,15,572	6,58,996	2,50,991
	Expected return on plan assets	(8,16,495)	—	(7,20,267)	—
	Net Actuarial (gain)/Loss recognized in the year	(12,85,489)	(2,91,791)	10,09,521	20,69,586
	Expenses recognized in statement of Profit & Loss	(6,90,763)	14,45,063	20,23,962	42,51,717

29. **ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

A Particulars of Capacity and Production

Particulars	Unit	Licensed Capacity	Installed capacity		Actual production	
			As at 31.03.2010	As at 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Power Cables*	Kms	Not Applicable	80,000	60,000	36183**	26,425**
Jelly Filled Telephone Cables	Ckm	Not Applicable	52,99,000	52,99,000	59,653	4,20,075
Optical Fibre Cables	Kms	Not Applicable	20,000	20,000	8,674	5,985

Installed capacity has been certified by Chairman & CEO and relied upon by Auditors.

* Includes all types of electric cables viz, LT/HT Power Cables, Control Cables, Instrumentation Cables, Thermocouple Cables, Railway Signaling Cables, Copper Flexible & Building Wires etc.

** Includes 0.846 Kms (Previous year 1.281 Kms) consumed during testing/ reprocessing.

B Particulars of Stock & Sales (Gross)

Particulars	Unit	Opening Stock		Closing Stock		Sales	
		As at 1.04.2009	As at 1.04.2008	As at 31.03.2010	As at 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Power Cables	Kms	6264	7,119	6,427	6,264	36,020	27,280
	Rs.	83,78,70,462	92,47,37,189	77,14,22,217	83,78,70,462	321,62,07,440	442,55,72,048
Jelly Filled Telephone Cables	Ckm	4699	7,368	2,175	4,699	62,177	4,22,744
	Rs.	35,82,186	2,07,45,636	32,65,666	35,82,186	11,97,57,273	31,70,18,413
Optical Fibre Cables	Kms	587	376	383	587	8,878	5,774
	Rs.	79,56,131	90,77,568	67,01,728	79,56,131	12,39,21,054	6,26,47,678
Traded goods - various	Rs.	—	—	—	—	2,03,80,047	—
Others	Rs.	—	—	—	—	20,52,33,390	11,86,44,859
Total		84,94,08,779	95,45,60,393	78,13,89,611	84,94,08,779	368,54,99,204	492,38,82,998

C Particulars of Raw Materials Consumed

Class of Goods	Quantity in (Kgs)		Value (Net of Modvat) in (Rs.)	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Copper*	27,39,922	52,90,419	86,26,87,076	1,44,20,07,056
Aluminium**	80,31,107	64,29,597	82,32,74,287	73,63,07,989
PVC/PE***	1,21,59,269	1,23,94,452	70,58,22,936	71,42,58,866
G.I. Wires/Strips****	45,20,871	79,37,727	20,00,41,970	39,87,02,984
Others	N.A.	N.A.	22,02,10,828	20,80,43,350
Total:			281,20,37,097	3,49,93,20,245

* Includes 344,259 Kgs (Previous year 68,816Kgs) material sold.

** Includes 26,697 Kgs (Previous year 8,491) material sold.

*** Includes 10,60,650 Kgs (Previous year 2,62,908 Kgs) material sold.

**** Includes 2,89,460 Kgs (Previous year 39,836 Kgs) material sold.

D Purchase of Traded Goods

Class of Goods	Unit	Quantity		Value in (Rs.)	
		Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Traded goods	N.A.	N.A.	N.A.	2,09,25,938	—

E Value of Imported and Indigenous materials consumed.

Class of Goods	Value in (%)		Value in (Rs.)	
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
(i) Raw Materials :				
- Indigenous	88.08	88.59	247,67,14,689	3,09,99,46,402
-Imported	11.92	11.41	33,53,22,408	39,93,73,843
Total:	100.00	100.00	281,20,37,097	3,49,93,20,245
(ii) Traded Goods:				
-Indigenous	50.74	—	1,06,17,497	—
-Imported	49.26	—	1,03,08,441	—
Total:	100.00	—	2,09,25,938	—
(iii) Stores, Spares & Consumables:				
-Indigenous	98.80	96.46	2,00,58,280	2,59,09,701
-Imported	1.20	3.54	2,44,360	9,51,575
Total:	100.00	100.00	2,03,02,640	2,68,61,276

		Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
F	Earnings in Foreign Exchange: (On accrual basis)		
	-Exports on CIF Prices	29,90,76,432	75,17,83,852
	-Deemed Exports	5,11,293	6,83,993
G	Expenditure in Foreign Currency: (On accrual basis)		
	-Travelling	47,77,880	47,63,223
	-Miscellaneous	1,06,33,906	32,77,991
	-Annual maintenance fee to Stock Exchange	1,76,475	1,69,100
	-Commission on Export Sales	—	6,93,37,934
	-Interest	5,10,18,582	1,50,89,954
H	Value of Imports of CIF basis:		
	Raw Materials	31,08,40,826	37,64,50,612
	Traded Goods	1,03,08,441	—
	Stores , Spares & Consumables	2,44,360	9,51,575
	Capital Goods	33,85,511	1,23,04,825

(I) Remittance in foreign currency for dividends:

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
The year to which dividend relates	2008-09	2007-08
Amount of dividend remitted (Rs.)	—	26,60,667
Number of Non-Resident Shareholders/OCBs/FILs	—	385
Number of Equity Shares	—	66,51,669

Note: The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by / on behalf of non-resident shareholders.

30. Related Party disclosures, as required by Accounting Standard-18 ("AS-18") are enclosed as per Annexure-1.
31. Previous year's figures have been regrouped / rearranged where necessary.
32. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956 has been given under "Balance Sheet Abstract and Company's General Business Profile".

As per our separate report of even date attached
For Jagdish Chand & Co.,
 Chartered Accountants

(J.C. Gupta)
 Partner
 Membership No. 6107
 Firm Registration Number : 000129N

(Sanjay Aggarwal)
 Chairman & CEO

(Sandeep Aggarwal)
 Managing Director

(Ratan Aggarwal)
 CFO & Company Secretary

Place : New Delhi
Dated : 28.05.2010

Annexure I

"Related party disclosures", for the year ended 31st March, 2010, as required by Accounting Standard-18 ("AS-18") are given below:

Relationships:

i) Subsidiaries of the Company:

Paramount Holdings Limited, Cyprus
AEI Cables Limited, UK

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

i

v) Functional Directors:

Shri Sanjay Aggarwal
Shri Sandeep Aggarwal

v) Relatives of functional Directors:

Smt. Kamla Aggarwal
Smt. Shashi Aggarwal
Smt. Archana Aggarwal
Ms Parul Aggarwal
Mr. Dhruv Aggarwal
Mr. Tushar Aggarwal
Mr. Parth Aggarwal

The following transactions were carried out with the related parties in the ordinary course of business.

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

Amount (Rs.)

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	(v)	TOTAL
Maximum outstanding of deposits taken during the year	2009-10 2008-09	- -	- -	1,82,00,000 1,02,79,350	- 3,89,67,847	- -	1,82,00,000 4,92,47,197
Deposit taken balance outstanding at the year end	2009-10 2008-09	- -	- -	8,87,865 -	- -	- -	8,87,865 -
Maximum outstanding of advance given during the year	2009-10 2008-09	23,73,880 6,33,225	- -	- -	- -	- -	23,73,880 6,33,225
Advance given balance outstanding as at year end	2009-10 2008-09	23,73,880 6,33,225	- -	- -	- -	- -	23,73,880 6,33,225
Amount received against Warrants	2009-10 2008-09	- -	- -	1,62,50,000 -	- -	- -	1,62,50,000 -
Sundry debtors outstanding as at year end	2009-10 2008-09	10,28,93,415 4,84,31,738	5,58,62,311 25,75,30,697	- -	- -	- -	15,87,55,726 30,59,62,435
Maximum outstanding of Sundry Debtors during the year	2009-10 2008-09	10,68,53,814 26,98,15,314	25,75,30,697 32,51,55,349	- -	- -	- -	36,43,84,511 59,49,70,663
Maximum outstanding of Security Deposits given for premises taken on rent	2009-10 2008-09	- -	- -	1,80,00,000 1,80,00,000	- -	- -	1,80,00,000 1,80,00,000
Outstanding of Security Deposit given for premises taken on rent as at year end	2009-10 2008-09	- -	- -	1,80,00,000 1,80,00,000	- -	- -	1,80,00,000 1,80,00,000
Amount payable as at year end	2009-10 2008-09	19,61,403 4,90,622	- -	26,70,502 14,74,044	- -	- -	46,31,905 19,64,666
Interest Paid on Deposits	2009-10 2008-09	- -	- -	56,228 1,16,855	- 6,60,495	- -	56,228 7,77,350
Rent Paid for use of Assets	2009-10 2008-09	- -	- -	2,30,78,160 2,42,75,592	- -	7,20,000 7,20,000	2,37,98,160 2,49,95,592
Managerial Remuneration	2009-10 2008-09	- -	- -	- -	65,42,691 38,28,400	- -	65,42,691 38,28,400
Managerial Remuneration Recoverable	2009-10 2008-09	- -	- -	- -	- 6,95,776	- -	- 6,95,776
Job work charges	2009-10 2008-09	- -	81,27,890 2,01,79,004	- -	- -	- -	81,27,890 2,01,79,004
Reimbursement of expenses received	2009-10 2008-09	10,09,664 12,36,993	- -	- -	- -	- -	10,09,664 12,36,993
Reimbursement of expenses Given	2009-10 2008-09	5,59,138 17,96,400	- -	- -	- -	- -	5,59,138 17,96,400
Sales	2009-10 2008-09	18,99,70,958 8,94,64,753	3,31,29,729 53,88,02,941	- -	- -	- -	22,31,00,687 62,82,67,694
Purchases	2009-10 2008-09	12,67,942 7,59,320	5,51,02,242 -	- -	- -	- -	5,63,70,185 7,59,320

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	(v)	TOTAL
Purchase of Machinery	2009-10	-	-	-	-	-	-
	2008-09	91,285	31,56,990	-	-	-	32,48,275
Donations	2009-10	-	-	6,85,000	-	-	6,85,000
	2008-09	-	-	2,30,000	-	-	2,30,000
Dividend paid on equity shares	2009-10	-	-	-	-	-	-
	2008-09	-	-	1,54,076	50,33,360	30,62,302	82,49,738

b) Non-Financial Transactions:

- i. Shri Sanjay Aggarwal and Shri Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings.
- ii. Guarantee of Rs. 5,00,00,000/- (Previous Year Rs. 5,00,00,000/-) given to a Bank for credit facilities given to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2010 Rs. 97,63,962/- (Previous year Rs. 95,05,496/-) for fund based limits and Rs.NIL (Previous year Rs.NIL) for non-fund based limits.
- iii. The Company has executed a parental guarantee in favour of One North East, UK, an agency of British Government responsible for promoting investment in U.K., on behalf of its wholly owned subsidiary, AEI Cables Limited for guaranteeing the repayment of Grant of Rs. 3,43,50,000/- (sterling pounds 5,00,000) (previous year Rs. 3,69,15,000/- (sterling pounds 5,00,000)) extended to it together with the interest at the rate of 1.5 percentage points above the UK base rate of Bank of England calculated from the date of first demand to AEI Cables Limited till the date of actual payment, in case AEI Cables Limited fails to observe the terms and conditions stipulated in the offer letter while giving the Grant.

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	L74899DL1994PLC061295	State Code	55
Balance Sheet Date	31.03.2010		

II Capital raised during the year (Amount in Rs. thousand)

Public/GDR Issue	—	Right Issue	—
Bonus Issue	—	Private Placement	—

III Position of mobilisation and deployment of funds (Amount in Rs. thousand)

Total Liabilities	4712392	Total Assets**	4712392
-------------------	---------	----------------	---------

Source of Funds

Paid-up Capital	169014
Amount received against Warrants	16250
Reserve & Suplus	1410620
FCMITDA	19710
Secured Loans	2757978
Unsecured Loans	338820

Application of Funds

Net Fixed Assets	1679063
Investments	273971
Net Current Assets	2759358
Accumulated Losses	—

** Net of current liabilities & provision.

IV Performance of Company (Amount in Rs. thousand)

Total Income	3935432	Total Expenditure	3927788
Profit/(Loss) Before Tax	7644	Profit / (Loss) After Tax	6280
Earning per share in Rs.	0.07	Dividend Rate %	NIL

V Generic Name of Principal Products of the Company (as per monetary terms)

Product Description	POWER CABLES
Item Code No.	8544 41
(ITC Code)	
Product Description	JELLY FILLED TELEPHONE CABLES
Item Code No.	8544 70/9001
(ITC Code)	
Product Description	OPTICAL FIBRE CABLES
Item Code No.	8544
(ITC Code)	

(Sanjay Aggarwal)
Chairman & CEO

Sandeep Aggarwal
(Managing Director)

Place: New Delhi
Dated: 28th May, 2010

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

To the Board of Directors

PARAMOUNT COMMUNICATIONS LIMITED

1. We have audited the attached Consolidated Balance Sheet of Paramount Communications Limited ("the company") its subsidiaries and associate company as at 31st March, 2010 and the Consolidated Profit and Loss Account annexed thereto for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of one subsidiary company whose financial statements reflect total assets of Rs. 26,79,68,162/- as on 31st March, 2010, total income of Rs. NIL and total expenditure of Rs. 10,60,906/- for the year then ended and financial statements of one associate wherein the company's share of Loss aggregates to Rs. 1,19,54,292/-. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We have relied on the unaudited financial statements of one subsidiary whose financial statements reflect total assets of Rs. 136,19,20,268/- as at 31st March 2010, total income of Rs. 378,82,35,710/- and total expenditure of Rs. 383,97,06,928/- for the year then ended. These unaudited financial statements as approved by Board of Directors of the subsidiary company have been furnished to us by the management and our report is so far as, it relates to the amounts included in respect of the subsidiary is based solely on such approved unaudited financial statements.
5. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements".
6. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and the accounts approved by the Board of Directors as explained in paragraph 4 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached 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 consolidated state of affairs of Paramount Communications Limited, its subsidiaries and Associate as at 31st March, 2010;
 - b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Paramount Communications Limited, its subsidiaries and Associate for the year ended on that date ; and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Paramount Communications Limited, its subsidiaries and Associate for the year ended on that date.

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

**(J.C. GUPTA)
PARTNER
M. No. 6107**

**Place : New Delhi
Dated : 28th May, 2010**

Firm Registration Number: 000129N

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount (Rs.)	
I. SOURCES OF FUNDS					
1. Shareholders Funds:					
a) Share Capital	A	169,013,930		169,013,930	
b) Amount received against Warrants		16,250,000		—	
c) Reserves & Surplus	B	1,515,195,405	1,700,459,335	1,524,100,609	1,693,114,539
2. Loan Funds:					
a) Secured Loans	C	3,765,884,601		2,567,676,410	
b) Unsecured Loans	D	338,819,937	4,104,704,538	1,382,130,000	3,949,806,410
3. Foreign Currency Monetary Item Translation Difference Account (FCMITDA)					
	E		19,709,863		(69,451,200)
			5,824,873,736		5,573,469,749
II. APPLICATION OF FUNDS					
1. Fixed Assets :					
a) Gross Block	F	2,133,203,528		1,967,395,304	
b) Less: Depreciation		513,455,844		393,511,984	
		1,619,747,684		1,573,883,320	
c) Add: Capital work-in progress	G	87,142,392	1,706,890,076	373,866,776	1,947,750,096
2. Investments					
	H		30,444,034		42,427,375
3. Deferred Tax:					
a) Deferred Tax Assets		122,320,397		145,745,074	
b) Less: Deferred Tax Liabilities		121,916,019	404,378	154,598,850	(8,853,776)
4. Current Assets, Loans & Advances:					
a) Inventories	I	2,883,266,671		2,471,760,809	
b) Sundry Debtors	J	2,365,316,639		1,920,761,717	
c) Cash & Bank Balances	K	89,983,804		135,819,715	
d) Loans & Advances	L	437,044,004		519,519,880	
Less:		5,775,611,118		5,047,862,121	
Current Liabilities & Provisions	M	1,688,475,870		1,455,716,067	
Net Current Assets			4,087,135,248		3,592,146,054
			5,824,873,736		5,573,469,749
NOTES ON ACCOUNTS	V				

As per our separate report of even date attached

For Jagdish Chand & Co.,

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	Year ended 31.03.2010 Amount(Rs.)	Year ended 31.03.2009 Amount(Rs.)
I. INCOME			
Gross sales less returns		7,023,777,031	8,402,336,141
Less: Excise duty		247,799,163	446,219,422
Net sales		6,775,977,868	7,956,116,719
Other Income	N	506,885,317	43,646,774
Increase/(Decrease) in stock	O	285,486,044	(272,812,451)
		7,568,349,229	7,726,951,042
II. EXPENDITURE			
Materials	P	5,464,994,005	6,082,169,541
Manufacturing, Selling & Other expenses	Q	901,777,215	1,013,175,042
Increase/(decrease) excise duty on stock		7,974,394	(75,796,635)
Payment to and Provision for Employees	R	706,197,219	695,496,651
Managerial Remuneration	S	29,500,383	29,097,295
Financial Charges	T	378,653,274	420,092,890
Depreciation & Amortisation	U	124,146,691	116,848,230
Amortisation of FCMITDA (Net)		3,715,703	34,725,600
		7,616,958,884	8,315,808,614
Add: Share of Profit/(Loss) in Associate		(11,954,292)	(3,599,559)
III. PROFIT/(LOSS) BEFORE TAX (I-II)		(60,563,947)	(592,457,131)
Less: PROVISION FOR TAXATION			
-Current tax		1,345,966	200,000
-Tax credit under UK laws		4,980,241	(32,116,489)
-Deferred tax		(10,440,536)	(63,338,285)
-Fringe Benefit tax		—	2,000,000
IV. PROFIT/(LOSS) AFTER TAXATION		(56,449,618)	(499,202,357)
Less: TAXATION FOR EARLIER YEARS			
-Current tax		(12,000)	(5,570,934)
-Deferred tax		—	(2,304,132)
-Fringe Benefit Tax		29,776	300,000
V. NET PROFIT/(LOSS)		(56,467,394)	(491,627,291)
Add: Balance brought forward from last year		668,672,495	1,160,299,786
VI. PROFIT AVAILABLE FOR APPROPRIATION		612,205,101	668,672,495
VII. LESS: APPROPRIATIONS		—	—
VIII. PROFIT CARRIED TO BALANCE SHEET		612,205,101	668,672,495
EARNING PER SHARE:			
-Basic		(0.67)	(5.82)
-Diluted		(0.54)	(4.35)
NOTES ON ACCOUNTS	V		

As per our separate report of even date attached

For Jagdish Chand & Co.,

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

S.NO. PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation and extraordinary items	(60,563,947)	(592,457,131)
Adjustment for:		
Depreciation (Net)	124,146,691	116,848,230
Financial Charges (Net)	378,653,274	420,092,890
Loss on sale/ disposal of fixed Assets (Net)	1,776,030	—
Gain on FCCBs buyback	(456,491,290)	—
Amortisation of FCMITDA	3,715,703	34,725,600
Provision for leave encashment	775,119	3,646,462
Exchange Flactuation Reserve	48,903,497	22,230,367
Operating profit before working capital changes	40,915,077	5,086,418
Adjustment for:		
Trade & Other receivables	(356,082,348)	691,633,680
Inventories	(411,505,862)	228,600,972
Trade payables	296,997,842	(275,759,206)
Provision for Loss on Derivatives / Exchange options	(14,430,439)	(2,354,201)
Cash generated from operations	(444,105,730)	647,207,663
Direct tax paid/ Refund	(62,923,400)	(23,751,666)
Cash flow before exceptional items	(507,029,130)	623,455,997
Extraordinary items	—	—
Net cash from operating activities	(507,029,130)	623,455,997
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets and other capital expenditure	35,759,794	(308,755,437)
Sale of fixed assets	23,775,980	500,435
(Increase)/decrease of Investments (net)	11,983,341	3,599,559
Net cash used in investing activities	71,519,115	(304,655,443)
C) CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from long term borrowings (Net of repayments)	745,339,556	200,342,975
Proceeds from Short term borrowings	—	(348,968,530)
Proceeds from Warrants	16,250,000	—
Working capital facilities from Bank	475,121,582	210,032,905
Hire purchase finance (Net of repayments)	3,346,263	(866,785)
FCCBs buyback	(472,618,710)	—
Directors deposits	—	(21,317,847)
Intercorporate deposits including interest accrued & due	888,687	(83,170,550)
Sales tax Deferment	—	(28,790,103)
Financial Charges (Net)	(378,653,274)	(420,092,890)
Dividend paid	—	(33,802,786)
Dividend Distribution Tax Paid	—	(5,744,783)
Net cash received/(used) from financial activities	389,674,104	(532,378,394)

(Amount in Rs.)

S.NO. PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(45,835,911)	(213,577,840)
Cash and cash equivalents as at 31st March, 2009 (Opening Balance)	135,819,715	349,397,555
Cash and cash equivalents as at 31st March, 2010 (Closing Balance)	89,983,804	135,819,715
Note:		
1. Cash and cash equivalents includes:		
Cash and bank balances	11,939,727	58,455,404
FDRs under lien with banks as per banking arrangements	78,044,077	77,364,311
Total cash and cash equivalents as per balance sheet	89,983,804	135,819,715
2. Figures in brackets represent cash outflow.		

As per our separate report of even date attached
For Jagdish Chand & Co.,
 Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

SCHEDULES	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount(Rs.)	
SCHEDULE : A SHARE CAPITAL				
Authorised 175,000,000 Equity Shares of Rs. 2/- each		350,000,000		350,000,000
Issued, Subscribed & Paid up* 84,506,965 Equity Shares of Rs. 2/- each		169,013,930		169,013,930
		169,013,930		169,013,930
*Note: 15,525,800 equity shares of Rs. 2/- each were allotted as fully paid up by way of bonus shares by capitalising Securities Premium Account during FY 2001-02				
SCHEDULE : B RESERVES & SURPLUS				
Capital Reserve				
Capital Investment Subsidy	3,000,000		3,000,000	
Profit on Issue of forfeited shares	31,100	3,031,100	31,100	3,031,100
Exchange Fluctuation Reserve		39,305,289		(8,415,825)
Capital Reserve on Consolidation				
Share of Associate's Profit		9,901,599		9,901,599
Revaluation Reserve				
Opening Balance	9,627,120		9,801,309	
Less: Transfer to Profit & Loss Account	158,924	9,468,196	174,189	9,627,120
Securities Premium Account		816,001,234		816,001,234
General Reserve				
Opening Balance	25,282,886		109,611,754	
Less: Transferred to Fixed Assets for Revaluation of Foreign Currency Monetary Items for earlier years (net of tax)	—		32,251,958	
Less: Transferred to FCMITDA for earlier years	—		52,930,800	
Add: Depreciation written back for earlier years	—	25,282,886	853,890	25,282,886
Profit & Loss Account (As per annexed Account)		612,205,101		668,672,495
		1,515,195,405		1,524,100,609
SCHEDULE : C SECURED LOANS				
- Term Loan from Banks (Repayable within one year Rs. 2,50,00,000/- Previous year Rs. 6,80,00,000)	1,081,234,042		376,592,986	
Interest Accrued & Due	4,827,031	1,086,061,073	2,871,284	379,464,270
- Loan from Financial Institution (Repayable on maturity of the Insurance Policy)	21,978,430		10,817,250	
Interest Accrued & Due	1,982,363	23,960,793	—	10,817,250
- Working Capital facilities from Banks	2,646,969,577		2,172,494,007	
Interest Accrued & Due	5,440,422	2,652,409,999	4,794,410	2,177,288,417
- Hire Purchase Finance		3,452,736		106,473
		3,765,884,601		2,567,676,410

SCHEDULES	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount(Rs.)	
SCHEDULE : D UNSECURED LOANS				
-Inter Corporate Deposits		888,687		—
-Foreign Currency Convertible Bonds (FCCBs)		337,931,250		1,382,130,000
		338,819,937		1,382,130,000
SCHEDULE : E FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (FCMITDA)				
Opening Balance	(69,451,200)		—	
During the Year	85,445,360		(157,107,600)	
Transferred from Genral Reserve for earlier years	—		52,930,800	
	15,994,160		(104,176,800)	
Less: Charged to Profit & Loss Account	(3,715,703)	19,709,863	(34,725,600)	(69,451,200)
		19,709,863		(69,451,200)

**SCHEDULE : F
FIXED ASSETS**

S. No.	Description of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01.04.09	Additions	Ded./ Adj.	As at 31.03.10	As at 01.04.09	For the Year	Ded./ Adj.	As at 31.03.10	As at 31.03.10	As at 31.03.09
1.	Land	12,621,330	-	-	12,621,330	-	-	-	-	12,621,330	12,621,330
2.	Land (Leasehold)	308,507,456	-	22,479,689	286,027,767	-	-	-	-	286,027,767	308,507,456
3.	Buildings	229,894,086	112,949,877	-	342,843,963	33,194,542	11,367,072	-	44,561,614	298,282,349	196,699,544
4.	Plant & Machinery	1,280,161,878	75,693,984	5,172,480	1,350,683,382	327,499,307	99,682,476	2,928,563	424,253,220	926,430,162	952,662,571
5.	Electrical Fitting & Equipments	56,247,721	2,230,326	1,633,644	56,844,403	11,949,061	2,753,163	849,242	13,852,982	42,991,421	44,298,660
6.	Furniture & Fixtures	21,745,743	582,617	128,377	22,199,983	4,488,554	1,634,939	77,809	6,045,684	16,154,299	17,257,189
7.	Vehicles	26,367,401	4,737,861	2,083,425	29,021,837	8,642,945	3,257,690	506,141	11,394,494	17,627,343	17,724,456
8.	Assets acquired under Hire Purchase: -Vehicles	4,737,861	1,023,670	-	5,761,531	1,026,963	-	-	1,026,963	4,734,568	3,710,898
9.	Intangible Assets -Software	27,111,828	87,504	-	27,199,332	6,710,612	5,610,275	-	12,320,887	14,878,445	20,401,216
	Total:	1,967,395,304	197,305,839	31,497,615	2,133,203,528	393,511,984	124,305,615	4,361,755	513,455,844	1,619,747,684	1,573,883,320
	Previous Year	1,624,896,193	385,307,598	42,808,487	1,967,395,304	280,606,918	117,022,419	4,117,354	393,511,984	1,573,883,320	1,344,289,275

Notes:

- Land includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation Rs. 7,650,950/-
- Building includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation Rs. 7,406,534/-
- Amount of Depreciation pertaining to revaluation in case of Building Rs. 158,924/-
- Title deeds of factory land at prahladpur, Bawana Road, Delhi-110 042 are in the name of erstwhile Paramount Cable Corporation.
- Title deeds of a part of factory land measuring 954.50 sq. mtr. at prahladpur, Bawana Road, Delhi-110042 shown in Balance Sheet at Rs. 23,86,250 are yet to be registered in the name of the Company.
- Title deeds of a part of land (leasehold) Rs. 6,17,61,000/- (Previous Year Rs. 6,17,61,000) are pending registration in the name of the Company.
- Carrying value of Assets acquired under hire purchase as on 31.03.2010 exclude the amount related to hire purchase agreement settled during the current year.
- Additions are after adjusting exchange gain (net) of Rs. 5,52,42,598/- (Previous year exchange loss (net) Rs. 9,61,63,200/-).
- Deductions in Land (Leasehold) include rebate received from RIICO Rs. 2,24,79,689/- during the year.
- Write back of depreciation Rs. NIL (Previous Year 8,53,890/-) for earlier years on account foreign exchange difference arising on Long Term Foreign Currency Monetary Items has been included in "DEPRECIATION - DEDUCTIONS".

SCHEDULES	As at 31.03.2010 Amount(Rs.)		As at 31.03.2009 Amount(Rs.)	
SCHEDULE : G				
CAPITAL WORK IN PROGRESS				
- Capital work in progress		22,170,215		190,979,529
- Capital Advances		64,972,177		171,423,085
- Construction Period Expenses pending allocation		—		11,464,162
		87,142,392		373,866,776
SCHEDULE : H				
INVESTMENTS				
Long Term:				
Unquoted				
-Trade				
- 2,558,000 Equity Shares of Rs. 10/- each of Paramount Wires & Cables Ltd, 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 Associate:				
Opening Balance	6,361,482		9,961,041	
Less: Transfer to Profit on sale of Investment	—		—	
Add: Share in profit/(Loss) during the year	(11,954,292)	(5,592,810)	(3,599,559)	6,361,482
- Others				
- 4800 Equity Shares of Rs. 10/- each of Haryana Financial Corporation, fully paid		168,000		168,000
- 36,700 ordinary shares of Cable Makers Properties and Servies Limited of £0.0001 each		387,245		416,294
		30,444,034		42,427,375
SCHEDULE : I				
INVENTORIES				
(As taken, valued and certified by the management)				
Stores, Spares & Consumables		9,007,616		7,599,953
Raw Materials		604,506,811		486,980,300
Stock in process		1,083,341,366		938,987,517
Finished goods		1,127,370,535		1,032,371,521
Goods in Transit		42,898,875		—
Packing materials		10,406,112		3,320,468
Scrap		5,735,356		2,501,050
		2,883,266,671		2,471,760,809
SCHEDULE : J				
SUNDRY DEBTORS				
(Unsecured, Considered Good)				
- Over six months	326,308,209		207,442,187	
- Other Debts	2,039,008,430	2,365,316,639	1,713,319,530	1,920,761,717
		2,365,316,639		1,920,761,717

SCHEDULES	As at 31.03.2010 Amount (Rs.)		As at 31.03.2009 Amount (Rs.)	
SCHEDULE : K CASH & BANK BALANCES				
Cash Balances including imprest		3,193,648		5,289,980
Balance with scheduled Banks:				
- Current Accounts	1,505,692		7,994,478	
- Fixed deposits	78,044,077	79,549,769	77,364,311	85,358,789
Balance with Non-Scheduled Banks:				
- Current Accounts		—		—
- Subsidiary Companies		7,240,387		45,170,946
		89,983,804		135,819,715
SCHEDULE : L LOANS AND ADVANCES (Unsecured, Considered Good)				
Advance Recoverable in cash or in kind or for value to be received		139,035,333		198,700,763
Loans and Advances to workers & staff		2,622,070		3,400,811
Earnest Money / Security Deposits		32,060,092		35,982,006
Amount Recoverable from Government Authorities		48,143,909		71,168,376
Advance Tax (Net of Provisions)		5,996,698		—
Balance with Excise Authorities		209,185,902		210,267,924
		437,044,004		519,519,880
SCHEDULE : M CURRENT LIABILITIES				
- Sundry Creditors	1,428,407,613		1,170,245,381	
- Other Liabilities	217,273,508		162,233,754	
- Advances & Deposits	17,826,138		11,499,070	
- Government Grant	16,301,020		31,663,816	
Investor Education and Protection Fund Shall be credited by the following amount namely:-*				
- Unclaimed dividend	1,108,628		1,363,126	
- Interest accrued but not due	—	1,680,916,907	6,913,918	1,383,919,065
PROVISIONS				
- Loss on Derivative / Exchange option	—		14,430,439	
- Leave Encashment	7,558,963		6,783,844	
Provision for taxation (Net of Payment)	—	7,558,963	50,582,719	71,797,002
		1,688,475,870		1,455,716,067
* No amount is due as on 31st March, 2010 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				

SCHEDULES	Year ended 31.03.2010 Amount(Rs.)		Year ended 31.03.2009 Amount(Rs.)	
SCHEDULE : N				
OTHER INCOME				
Provision for loss on derivative written back		2,853,235		—
Profit on sale of Fixed Assets		—		3,329
Insurance Claim Received		2,218,494		19,284
Gain on FCCBs buyback		456,491,290		—
Duty Drawback		14,196,330		25,943,572
Liability Written Back		15,920,175		8,513,182
Interest on Income Tax Refund		155,793		—
Miscellaneous		15,050,000		9,167,407
		506,885,317		43,646,774
SCHEDULE : O				
INCREASE/(DECREASE) IN STOCK				
Opening Stock				
- Finished Goods	1,032,371,521		1,239,191,705	
- Stock in Process	938,987,517		991,371,493	
- Scrap	2,501,050	1,973,860,088	16,109,341	2,246,672,539
Less: Closing Stock				
- Finished Goods	1,127,370,535		1,032,371,521	
- Goods in Transit	42,898,875		—	
- Stock in Process	1,083,341,366		938,987,517	
- Scrap	5,735,356	2,259,346,132	2,501,050	1,973,860,088
		285,486,044		(272,812,451)
SCHEDULE : P				
MATERIALS				
Raw Materials				
- Opening Stock	415,780,494		387,254,100	
Add: Purchases	5,402,047,593		5,761,352,491	
	5,817,828,087		6,148,606,591	
Less: Closing Stock	537,163,891	5,280,664,196	415,780,494	5,732,826,097
Traded items				
- Opening Stock	71,199,806		49,223,539	
Add: Purchases	180,472,922		371,319,711	
	251,672,728		420,543,250	
Less : Closing Stock	67,342,919	184,329,809	71,199,806	349,343,444
		5,464,994,005		6,082,169,541
SCHEDULE : Q				
MANUFACTURING, SELLING & OTHER EXPENSES				
Stores & Spares Consumed		33,310,578		40,181,850
Packing material Consumed		142,154,715		106,514,881
Conversion Charges		22,949,430		44,695,049
Power, Fuel & Lighting		156,681,742		191,231,080
Labour charges		74,470,961		75,895,123
Repairs & Maintenance:				
-Plant & Machinery	65,763,101		76,731,956	
-Building	5,595,003		5,875,303	
-Others	1,979,451	73,337,555	799,751	83,407,010
Rent		54,808,589		56,139,259

SCHEDULES	Year ended 31.03.2010 Amount(Rs.)		Year ended 31.03.2009 Amount(Rs.)	
Freight, Octroi & Cartage (Net)		85,502,487		103,911,461
Rebate, Discount, Commission on Sales		56,426,957		96,680,167
Rates & Taxes		16,002,180		17,504,395
Insurance		21,130,973		34,084,819
Travelling & Conveyance (Net)		31,425,181		34,709,914
Advertisement & Publicity		24,947,222		16,276,864
Payment to Auditors				
-Audit Fee	4,029,009		2,424,147	
-Tax Audit fee	100,000		100,000	
-Taxation Matters	20,000		20,000	
- Others	122,000		40,000	
- Out of pocket expenses(Including service tax)	55,260	4,326,269	118,752	2,702,899
Donations		733,600		340,000
Communication Expenses		11,155,278		11,564,865
Share Transfer Expenses		113,312		124,833
Bad Debts written off		8,209,160		15,696,857
Foreign Exchange Fluctuation (net)		14,649,815		5,100,457
Miscellaneous Expenses		67,665,181		70,427,619
Loss on sale/disposal of fixed assets (Net)		1,776,030		—
Loss on Derivative / Exchange option		—		5,985,640
		901,777,215		1,013,175,042
SCHEDULE : R				
PAYMENTS TO AND PROVISION FOR EMPLOYEES				
Salaries, Wages, Bonus & Other Benefits		675,948,341		665,549,658
Contribution to Provident & Other Funds		25,526,517		25,344,638
Welfare Expenses		4,722,361		4,602,355
		706,197,219		695,496,651
SCHEDULE : S				
MANAGERIAL REMUNERATION				
Salaries		26,436,810		26,331,415
House Rent		1,200,000		1,200,000
Perquisites		291,491		209,200
Directors Meeting Fees		365,500		263,500
Contribution to Provident & Other Benefits		1,206,582		1,093,180
		29,500,383		29,097,295
SCHEDULE : T				
FINANCIAL CHARGES				
Interest				
- Working Capital Facilities (Net)	232,149,725		304,171,328	
- Term Loan	61,778,877		27,538,671	
- FCCBs	9,509,847		14,388,914	
- Others	9,315,300	312,753,749	23,659,752	369,758,665
Bank Charges & Commission		65,899,525		50,334,225
		378,653,274		420,092,890
SCHEDULE : U				
DEPRECIATION				
On Fixed Assets	124,305,615		117,022,419	
Less: Transfer from Revaluation Reserve	158,924	124,146,691	174,189	116,848,230
		124,146,691		116,848,230

SCHEDULE : V**Notes to Accounts for the year ended 31st March, 2010****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.

2. The Consolidated Financial Statements include the results of the following entities:

S.No.	Name of Company	Country of incorporation	Relationship	Ownership Interest
1.	Paramount Holdings Limited	Cyprus	Subsidiary	100.00%
2.	AEI Cables Limited	United Kingdom	Subsidiary	100.00%
3.	Paramount Wires & Cables Limited	India	Associate	44.49%

3. Financial statements of Paramount Holdings Limited, Cyprus are drawn in Euro and AEI Cables Limited, United Kingdom are drawn in Sterling Pound.**4. AEI Cables Limited, United Kingdom has changed its accounting period to 1st September, 2009 to 31st March, 2010. Consequently its financial statements have been audited for the period from 1st September, 2009 to 31st March, 2010. Financial Statement of AEI Cables Limited, United Kingdom for the year 1st April, 2009 to 31st March, 2010 are unaudited and have been incorporated as adopted by the Board of Directors of the subsidiary Company.****5. OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are said out under "Significant Accounting Policies" as given in the Separate Financial Statements of Paramount Communications Limited, AEI Cables Limited, United Kingdom and Paramount Holdings Limited, Cyprus.

6. CONTINGENT LIABILITIES

- i. Guarantee of Rs. 5,00,00,000/- (Previous Year Rs. 5,00,00,000/-) given to a Bank for credit facilities given to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2010 are Rs.97,63,962/- (Previous year Rs.95,05,496/-) for fund based limits and Rs. NIL (Previous year Rs.NIL) for non-fund based limits.
- ii. The Company has executed a parental guarantee in favour of One North East, UK, an agency of British Government responsible for promoting investment in U.K., on behalf of its wholly owned subsidiary, AEI Cables Limited for guaranteeing the repayment of Grant of Rs. 3,43,50,000/- (sterling pounds 5,00,000) (previous year Rs. 3,69,15,000/- (sterling pounds 5,00,000) extended to it together with the interest at the rate of 1.5 percentage points above the UK base rate of Bank of England calculated from the date of first demand to AEI Cables Limited till the date of actual payment, in case AEI Cables Limited fails to observe the terms and conditions stipulated in the offer letter while giving the Grant.
- iii. Unused letter of credit outstanding Rs. 28,28,44,807/- (Previous year Rs. 6,36,87,737/-)
- iv. Financial Bank Guarantees outstanding Rs. 3,56,16,278/- (Previous year Rs. 4,00,22,000/-)
- v. Outstanding Bills discounted Rs. 12,10,44,102/- (Previous year Rs. 20,70,72,925/-).

- vi. Effect of Income tax demands/disallowances against which appeal/rectifications have been filed by the company is Rs. 2,95,18,775/- (Previous year Rs.31,05,522/-)
 - vii. Excise and Service tax demands under appeal Rs. 5,61,33,651/-(Previous year Rs. 2,73,32,535/-)
 - viii. Custom duty demand under appeal Rs. 18,36,570/- (Previous year Rs. NIL)
 - ix. Claim pending against company not acknowledged as debt Rs. 25,80,254/- (Previous year Rs. NIL)
7. 1% Foreign Currency Convertible Bonds ('FCCBs') have an option to convert these bonds into Equity Shares at an initial conversion rate of Rs.265/- per share (Rs.53/- per share post-split) at a fixed exchange rate (Rs.44.99 = US\$1). The conversion price will be reset on the first, second and third anniversaries of the Bonds. The conversion price has been reset on the first anniversary of the Bonds at Rs. 213 (Rs. 42.60 per share post-split). The reset conversion price can not be lower than Rs. 213 (Rs. 42.60 per share post-split) or the applicable reset floor price as prescribed by SEBI from time to time. The conversion price will be subject to certain adjustments as detailed in the offering circular such as dilution, bonus, dividends, right issue, special dividend etc. Unless previously converted, redeemed or repurchased or cancelled, the Company will redeem these bonds at 145.54 percent of the principal amount on 23rd November, 2011. Up to March 31, 2010 out of the total issue, FCCBs aggregating to USD 19.50 Million have been repurchased at discount. Balance of 'FCCBs' of USD 7.50 Million outstanding as on March, 31, 2010 have been included and disclosed in the schedule of "Unsecured Loans". In view of these developments the Company expects that no premium would be payable and on that basis the same is not provided for. However, the premium, if paid would be adjusted against the Securities Premium Account. Accordingly maximum premium amount payable being Rs. 15,38,93,891/- (Previous year Rs. 62,94,22,002/-) would be accounted for and adjusted against Securities Premium Account in the year of such redemption or repurchase or cancellation.
 8. Estimated amount of contracts (net of advances) remaining to be executed on capital account Rs. 15,25,67,000/- (Previous year Rs. 26,08,14,000/-)
 9.
 - 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 and 2nd Pari-Passu charge on present and future fixed assets other than land and building at Prahaldpur, Bawana Road, Delhi. Further they are secured by personal guarantees of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal, Directors of the Company.
 - ii) Working Capital facilities of AEI Cables Limited, United Kingdom from Bank are secured by fixed and floating charge on all the present and future assets of the company. Sanjay Aggarwal and Sandeep Aggarwal, directors of the company have guaranteed the facilities.
 - iii) Term loans from banks are secured by 1st pari-passu charge on present and future fixed assets of the company other than land and building at Prahaldpur, Bawana Road, Delhi and 2nd pari-passu charge on present and future current assets of the Company. Further they are secured by personal guarantees of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal, Directors of the Company.
 - iv. Hire Purchase Finance is secured against assets financed from it.
 - v. Loan from Financial Institution is secured against surrender value/ maturity value of keyman insurance policy of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal, Directors of the Company.
 10. Fixed Deposits with banks amounting to Rs. 7,80,44,077/- (Previous year Rs. 7,73,64,311/-) are under lien/custody with banks/ sales tax department.
 11. During the year the Company has allotted 5,000,000 (Fifty Lakhs) Warrants on Preferential basis. The Warrant holders have option of subscribing one equity shares of face value of Rs.2/- each per Warrant at a price of Rs.13/- per equity share any time up to 8th June, 2011. Proceeds from issue of warrants have been utilized as per objects of the issue.
 12. Interest on working capital facilities has been shown net of interest earned by the company Rs. 1,08,90,394/-(Previous Year Rs.1,66,65,698/-).
 13. During the year 1% Foreign Currency Convertible Bonds ('FCCBs') of USD 19.50 million have been bought back. This has resulted in profit of Rs 45,64,91,290/- (Previous Year Rs.NIL) which has been included under 'Other Income'. Prorata exchange difference on these 'FCCBs' transferred to 'Foreign Currency Monetary Item Translation Difference Account ("FCMITDA") has been written off to Profit & loss account.

14. As per changes made in AS 11 vide Companies(Accounting Standards) Amendment Rules 2009, 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 gain (net) Rs. 5,52,42,598/-(Previous year Exchange Loss(Net) Rs. 9,61,63,200/-) 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'

15. Insurance Premium of Rs.37,93,545/- (Previous Year Rs. 37,96,025/-) on Keyman Insurance Policy has been charged to Profit & Loss Account. Maturity value of such policies will be accounted for on receipt basis.
16. 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.
17. Following expenses were capitalized and allocated to fixed assets:

Particulars	Year ended 31.03.2010 Amount (Rs.)	Year ended 31.03.2009 Amount (Rs.)
Opening Balance	1,14,64,162	—
Stores, Spares & Consumables	—	15,33,527
Payment to and provision for employees	—	54,07,531
Interest on Term Loan	40,55,178	1,09,11,272
Total	1,55,19,340	1,78,52,330
Less: Allocated to fixed assets	1,55,19,340	63,88,168
Net Capital expenditure pending allocation	—	1,14,64,162

18. Consequent to Statutory Audit of AEI Cables Limited, United Kingdom of its first financial period ended 31st August, 2008, following adjustments pertaining to have been made in the year ended 31.3.2009 in consolidated financial statements:

Particulars	Year ended 31.03.2010 Amount (Rs.)	Year ended 31.03.2009 Amount (Rs.)
-Due to allocation of discount and acquisition expenses:		
Fixed Assets	—	(4,04,33,986)
Investments	—	(4,82,156)
Sundry Debtors	—	4,96,321
Stocks	—	8,54,00,776
Sundry Creditors	—	(4,49,80,954)
-Others:		
Current Tax	—	(106,03,789)
Deferred Tax	—	(9,65,420)
Depreciation	—	(8,27,808)

This has resulted in loss for the year being higher by Rs. Nil (Previous Year Rs. 2,85,19,126/-)

19. Deferred Tax Assets and Liabilities are attributable to following items:

Particulars	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
Assets :		
FCCB / GDR Issue Expenses	62,38,763	97,79,982
Leave Encashment	26,15,708	23,05,828
Carried Forward Loss	—	7,77,24,222
Unabsorbed Depreciation	11,34,65,926	5,59,35,042
Total:	12,23,20,397	14,57,45,074
Liabilities:		
Depreciation	12,19,16,019	15,45,98,850
Total:	12,19,16,019	15,45,98,850

Note: - 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.

20. Earning Per Share pursuant to Accounting Standard- 20 ("AS-20") has been calculated as follows:

Particulars	Year ended 31.03.2010 Amount (Rs.)	Year ended 31.03.2009 Amount (Rs.)
Net Profit/(Loss) after taxation	(5,64,67,394)	(49,16,27,291)
Weighted average number of equity shares for Basic EPS	8,45,06,965	8,45,06,965
Add: Adjustment for weighted FCCBs outstanding convertible in equity shares	1,89,62,117	2,85,14,789
Add: Adjustment for weighted warrants outstanding having option to subscribe equity shares (Refer note '7' Schedule 'V')	15,47,945	—
Weighted average number of equity shares for Diluted EPS	10,50,17,027	11,30,21,754
Basic Earning Per Share	(0.67)	(5.82)
Diluted Earning Per Share	(0.54)	(4.35)
Face Value Per Share	2.00	2.00

21. Sundry Debtors include due from Paramount Wires & Cables Limited, in which Company holds 44.49% of shareholding, Rs. 5,58,62,311/- (Previous year Rs. 25,75,30,697/-)
22. Loans & Advances include Security Deposit given to Paramount Telecables Limited for premises taken on rent Rs. 1,80,00,000/- (Previous year Rs. 1,80,00,000/-) Maximum Balance outstanding during the year Rs. 1,80,00,000/- (Previous year Rs. 1,80,00,000/-).
23. Loans and Advances include recoverable from Shri Sanjay Aggarwal, Chairman & CEO and Shri Sandeep Aggarwal, Managing Director of the Company on account of remuneration paid in excess of minimum remuneration due to unforeseen losses during the year Rs. NIL (Previous year Rs.6,95,776/-). Maximum Balance outstanding during the year Rs. 6,95,776/- (Previous year Rs. 6,95,776/-).

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

Loans and Advances in the nature of Loans given to Associates:

Name	As at 31.03.10	Maximum Balance during 2009-10	As at 31.03.09	Maximum Balance during 2008-09
Paramount Telecables Limited	1,80,00,000/-	1,80,00,000/-	1,80,00,000/-	1,80,00,000/-

Note: Security deposit for premises taken on rent by the Company and adjustable/refundable as per terms & conditions. Paramount Telecables Limited has not invested in shares of the company.

25. 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.
26. (a) Fixed Assets taken on lease on or after 1st April, 2001 include motor vehicles at an aggregate cost of Rs. 57,61,531/- (Previous year Rs.47,37,861/-) with future lease obligation by way of lease rental as follows:

(In Rs.)

Due	Total Minimum lease payments outstandings		Future Interest on outstandings		Present value of minimum lease payments	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Within one year	10,41,300	1,07,708	3,79,036	1,236	6,62,264	1,06,472
Later than one year and not later than five years	33,84,225	—	5,93,753	—	27,90,472	—
Total:	44,25,525	1,07,708	9,72,789	1,236	34,52,736	1,06,472

- (b) Operating Leases- Other than non-cancelable

The Company has entered into lease transactions during the current financial year mainly for leasing of factory / office premises and company leased accommodations for its employees for periods upto 10 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. The Operating lease payments recognized in the Profit & Loss account amount to Rs. 5,60,08,589/- (Previous year Rs. 5,73,39,259/-) for the leases, which commenced on or after April 1, 2001.

27. (a) (i) The Company has following outstanding Currency Swaps for hedging purpose at the year end:

PARTICULARS	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
Forward Contracts (net)	40,55,17,500	25,59,50,000

- (ii) For Hedging Commodity Related Risks:

PARTICULARS	As at 31.03.2010 (In MTs)	As at 31.03.2009 (In MTs)
Future Copper purchase	—	100

(b) (i) Unhedged amount payable in foreign currency:-

Particulars	As at 31.03.2010			As at 31.03.2009		
	Amount (Rs.)	Amount in foreign currency	Foreign currency	Amount (Rs.)	Amount in foreign currency	Foreign currency
Import of Goods	7,61,32,521	17,22,876	USD	11,16,23,535	22,39,475	USD
Payables	48,36,925	1,07,350	USD	4,31,52,227	8,43,087	USD
FCCBs	33,79,31,250	75,00,000	USD	1,38,21,30,000	2,70,00,000	USD
Foreign Currency Term Loans	45,05,75,000	1,00,00,000	USD	—	—	—

(ii) Unhedged amount receivable in foreign currency:-

Particulars	As at 31.03.2010			As at 31.03.2009		
	Amount (Rs.)	Amount in foreign currency	Foreign currency	Amount (Rs.)	Amount in foreign currency	Foreign currency
Export of Goods	6,43,83,803	14,41,805	USD	8,90,07,942	17,53,678	USD
Advances	83,148	1,862	USD	1,79,74,950	4,20,000	USD
	15,66,603	25,770	EURO	—	—	—

28. 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:

Particulars	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
Contributory Provident Fund & Employees Pension Scheme, 1995	53,52,427	51,25,390
Contribution to Group Pension Scheme in AEI Cables Limited, United Kingdom	2,13,80,672	2,13,12,428

Defined Benefit Plan

The company is having following Defined Benefit Plans:

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

(In Rupees)

	Gratuity (Funded) 2009-10	Leave Encashment (Unfunded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2008-09
a) Actuarial Assumptions				
Discount rate	8	7.7	8	7.6
Expected rate of return on assets	8	—	8	—
Expected rate of future salary increase	8	6	7	6
b) Reconciliation of opening and closing				
Present value of obligations as at beginning of year	97,50,118	67,83,844	82,37,446	31,37,382
Interest cost	7,80,009	5,15,572	6,58,996	2,50,991
Current Service Cost	20,12,738	12,21,282	10,75,712	19,31,140
Benefits paid	—	(6,69,944)	(12,55,619)	(6,05,255)
Actuarial (gain)/loss on Obligations	(12,47,836)	(2,91,791)	10,33,583	20,69,586
Present value of obligations as at end of year	1,12,95,029	75,58,963	97,50,118	67,83,844

	Gratuity (Funded) 2009-10	Leave Encashment (Unfunded) 2009-10	Gratuity (Funded) 2008-09	Leave Encashment (Unfunded) 2008-09
c) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets as on beginning of year	96,22,514	—	91,28,488	—
Expected return on plan assets	8,16,495	—	7,20,267	—
Contributions	11,67,353	—	10,05,316	—
Benefits paid	—	—	(12,55,619)	—
Actuarial Gain/(Loss) on Plan assets	37,653	—	24,062	—
Fair value of plan assets at the end of year	1,16,44,015	—	96,22,514	—
d) Fair value of plan assets as on 31.03.2010				
Fair value of plan assets at beginning of year	96,22,514	—	91,28,488	—
Actual return on plan assets	8,54,148	—	7,44,329	—
Contributions	11,67,353	—	10,05,316	—
Benefits paid	—	—	(12,55,619)	—
Fair value of plan assets at the end of year	116,44,015	—	96,22,514	—
Funded status	3,48,986	(75,58,963)	(1,27,604)	(67,83,844)
Excess of Actual over estimated return on plan	37,653	—	24,062	—
e) Actuarial (Gain)/Loss recognized for the year				
Actuarial (gain)/Loss for the year - Obligation	(12,47,836)	(2,91,791)	10,33,583	20,69,586
Actuarial (gain)/Loss for the year - plan assets	(37,653)	—	(24,062)	—
Total (gain)/Loss for the year	(12,85,489)	(2,91,791)	10,09,521	20,69,586
Actuarial (gain)/Loss recognized in the year	(12,85,489)	(2,91,791)	10,09,521	20,69,586
f) The amounts recognized in the balance sheet				
Present value of obligations as at the end of year	1,12,95,029	75,58,963	97,50,118	67,83,844
Fair value of plan assets as at the end of the year	1,16,44,015	—	96,22,514	—
Funded status	3,48,986	(75,58,963)	(1,27,604)	(67,83,844)
Net Asset/(liability) recognized in balance sheet	3,48,986	(75,58,963)	(1,27,604)	(67,83,844)
g) Expenses Recognized in statement of profit & Loss				
Current Service Cost	20,12,738	12,21,282	10,75,712	19,31,140
Interest cost	7,80,009	5,15,572	6,58,996	2,50,991
Expected return on plan assets	(8,16,495)	—	(7,20,267)	—
Net Actuarial (gain)/Loss recognized in the year	(12,85,489)	(2,91,791)	10,09,521	20,69,586
Expenses recognized in statement of Profit & Loss	(6,90,763)	14,45,063	20,23,962	42,51,717

29. Related Party disclosures, as required by Accounting Standard-18 ("AS-18") are enclosed as per Annexure-1.

30. Previous year's figures have been regrouped / rearranged where necessary.

As per our separate report of even date attached

For Jagdish Chand & Co.,

Chartered Accountants

(J.C. Gupta)

Partner

Membership No. 6107

Firm Registration Number : 000129N

Place : New Delhi

Dated : 28.05.2010

(Sanjay Aggarwal)

Chairman & CEO

(Sandeep Aggarwal)

Managing Director

(Ratan Aggarwal)

CFO & Company Secretary

Annexure I

"Related party disclosures", for the year ended 31st March, 2010, as required by Accounting Standard-18 ("AS-18") are given below:

Relationships:

i) Associate of the Company:

Paramount Wires & Cables Limited

ii) 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

iii) Functional Directors:

Shri Sanjay Aggarwal

Shri Sandeep Aggarwal

Shri Jim Duffy, (AEI Cables Limited, United Kingdom)

Shri Mukesh C Goel (AEI Cables Limited, United Kingdom)

Shri Mark Heneghan (AEI Cables Limited, United Kingdom)

iv) Relatives of functional Directors:

Smt. Kamla Aggarwal

Smt. Shashi Aggarwal

Smt. Archana Aggarwal

Ms Parul Aggarwal

Mr. Dhruv Aggarwal

Mr. Tushar Aggarwal

Mr. Parth Aggarwal

The following transactions were carried out with the related parties in the ordinary course of business.

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

PARTICULARS	Year	(i)	(ii)	(iii)	(iv)	TOTAL
Maximum outstanding of deposits taken during the year	2009-10 2008-09	- -	1,82,00,000 10,279,350	- 3,89,67,847	- -	1,82,00,000 4,92,47,197
Deposit taken balance outstanding at the year end	2009-10 2008-09	- -	8,87,865 -	- -	- -	8,87,865 -
Amount received against Warrants	2009-10 2008-09	- -	1,62,50,000 -	- -	- -	1,62,50,000 -
Sundry debtors outstanding as at year end	2009-10 2008-09	5,58,62,311 25,75,30,697	- -	- -	- -	5,58,62,311 25,75,30,697
Maximum outstanding of Sundry Debtors during the year	2009-10 2008-09	25,75,30,697 32,51,55,349	- -	- -	- -	25,75,30,697 32,51,55,349
Maximum outstanding of Security Deposits given for premises taken on rent	2009-10 2008-09	- -	1,80,00,000 1,80,00,000	- -	- -	1,80,00,000 1,80,00,000
Outstanding of Security Deposit given for premises taken on rent as at year end	2009-10 2008-09	- -	1,80,00,000 1,80,00,000	- -	- -	1,80,00,000 1,80,00,000
Amount payable as at year end	2009-10 2008-09	- -	26,70,502 14,74,044	- -	- -	26,70,502 14,74,044
Interest Paid on Deposits	2009-10 2008-09	- -	56,228 1,16,855	- 6,60,495	- -	56,228 7,77,350
Rent Paid for use of Assets	2009-10 2008-09	- -	2,30,78,160 2,42,75,592	- -	7,20,000 7,20,000	2,37,98,160 2,49,95,592
Managerial Remuneration	2009-10 2008-09	- -	- -	2,91,34,883 2,88,33,795	- -	2,91,34,883 2,88,33,795
Managerial Remuneration Recoverable	2009-10 2008-09	- -	- -	- 6,95,776	- -	- 6,95,776
Job work charges	2009-10 2008-09	81,27,890 2,01,79,004	- -	- -	- -	81,27,890 2,01,79,004
Sales	2009-10 2008-09	3,31,29,729 -	- 1,82,00,000	- -	- -	3,31,29,729 1,82,00,000
Purchases	2009-10 2008-09	5,51,02,242 -	- -	- -	- -	5,51,02,242 -
Purchase of Machinery	2009-10 2008-09	- 31,56,990	- -	- -	- -	- 31,56,990
Donations	2009-10 2008-09	- -	6,85,000 2,30,000	- -	- -	6,85,000 2,30,000
Dividend paid on equity shares	2009-10 2008-09	- -	- 1,54,076	- 50,33,360	- 30,62,302	- 82,49,738

b) Non-Financial Transactions:

- i. Shri Sanjay Aggarwal and Shri Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings.
- ii. Guarantee of Rs. 5,00,00,000/- (Previous Year Rs. 5,00,00,000/-) given to a Bank for credit facilities given to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2010 Rs. 97,63,962/- (Previous year Rs.95,05,496/-) for fund based limits and Rs.NIL (Previous year Rs.NIL) for non-fund based limits.

AEI CABLES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

COMPANY REGISTRATION NUMBER	06196375
REGISTERED OFFICE	Durham Road Birtley CHESTER-LE-STREET County Durham DH3 2RA
DIRECTORS	Mr Sanjay Aggarwal Mr Sandeep Aggarwal Mr M Heneghan Mr M C Goel Mr J P Duffy
SECRETARY	Mr K Ainsworth
AUDITOR	Grant Thornton UK LLP Chartered Accountants Statutory Auditors 2 Broadfield Court SHEFFIELD S8 0XF

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the company for the period from 1 September 2009 to 31 March 2010.

Principal activities

The principal activity of the company is the design, manufacture and sale of cables for domestic and industrial wiring applications.

Financial overview

The turnover of the company was £29.6 million (2009: £39.8 million). The company's profit before tax was £0.3 million (2009: £1.2 million loss) and after taxation was £0.2 million (2009: £0.9 million loss).

The performance of the company improved significantly as compared to the same period in the previous year.

Turnover, profit/(loss) before tax and profit/(loss) after tax are considered to be the key performance indicators for the company.

Strategy

During this trading period the business has benefited from a focused approach to improved customer service and product development. This has been particularly successful in the UK defence sector, with the award of the cabling contract for the new Queen Elizabeth Class aircraft carrier. Further progress has also been made in the industrial and special cables markets where strong innovation in design and high levels of product quality have proved to be the key ingredient to gaining new orders. These developments have helped to compensate for a fall in demand from the construction market in both the UK and export regions. Here we have also witnessed significant pressure on margins as cable prices have significantly lagged the sharp escalation in raw material costs.

Future developments for the business/future outlook

Our main trading markets offer different opportunities and challenges. The construction sector will remain slow and highly competitive for the foreseeable future however new business is available in fire detection and alarm installations to satisfy updated building regulations. Here our wide product offering, technical knowledge and experience in this sector will enable us to capture orders. We will also benefit from our focus on project management and participation in the Approved Cables Initiative, which is aimed at stopping the use of counterfeit or non-approved cables. The growth we have experienced in the Industrial and Defence sectors will continue as many projects in these markets are urgently needed. A number of new export markets are providing great encouragement with customers attracted by further enhancements to our product range.

Principal risks and uncertainties

The policy of the company is to minimise the impact of potentially adverse changes in the cost of copper and other raw materials. These risks are managed by way of forward contracts and regular purchases so that any sales commitment in terms of copper is properly hedged. The major currency to which the company is exposed other than its reporting currency is Euro. This risk involved in fluctuations in the exchange rate between Pound Sterling and Euro is managed by regular and timely buying of Euro to make payments against purchases of raw material and by way of forward contracts.

Results and dividends

The profit for the period, after taxation, amounted to £222,000. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company financial instruments are liquidity risk, interest rate risk, foreign currency risk and commodity price risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through bank borrowings.

Interest rate risk

The company finances its operations through a mixture of retained earnings and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by using fixed and floating facilities.

Currency risk

The company is exposed to transaction and translation foreign exchange risk.

Commodity price risk

The company manages the exposure to fluctuations in the commodity price market by the use of forward contract arrangements.

Policy on payment of creditors

The company's policy in relation to the payment of its suppliers is to agree terms of payment with each supplier when negotiating the terms of each business transaction. It is company policy to abide by the agreed terms of payment unless the supplier defaults under its own obligations. Trade creditors at the year end amount to 16 days of average supplies for the year (2009: 18 days).

Directors

The directors who served the company during the period were as follows:

Mr Sanjay Aggarwal
Mr Sandeep Aggarwal
Mr M Heneghan
Mr M C Goel
Mr J P Duffy

During the period the company purchased third party indemnity insurance for its directors and officers.

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disabled employees

Applications for employment by disabled persons are given full and fair considerations for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

(Sanjay Aggarwal)

Director

20 May 2010

Report of the independent auditor to the members of AEI Cables Limited

We have audited the financial statements of AEI Cables Limited for the period from 1 September 2009 to 31 March 2010 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 82, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CRAIG BURTON (Senior Statutory Auditor)

For and on behalf of
GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS

SHEFFIELD
20 May 2010

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

After making appropriate enquiries and reviewing budgets, profit and cash flow forecasts and business plans, together with financing facilities available, the directors 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. For this reason the directors consider that the adoption of the going concern basis in preparing the financial statements is appropriate.

The principal accounting policies of the company have remained unchanged from the previous period, and are set out below.

Turnover

The turnover shown in the profit and loss account represents amounts receivable by the company for goods supplied and services provided during the period, exclusive of Value Added Tax. Turnover is recognised at the point of despatch of goods and the supply of services.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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 & Machinery	-	10% Straight line basis
Fixtures & Fittings	-	20% Straight line basis
Motor Vehicles	-	20% Straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments are valued at cost less amounts written off.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

AEI CABLES LIMITED Financial Statements for the period ended 1 September 2009 to 31 March 2010 Profit and Loss Account

Particulars	Note	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
Turnover	1	29,633	2,222,988	39,886	3,076,559
Cost of sales		(25,324)	(1,899,738)	(35,229)	(2,717,347)
Gross Profit		4,309	323,250	4,657	359,212
Other operating charges	2	(3,744)	(280,865)	(5,363)	(413,669)
Operating profit/(loss)	3	565	42,385	(706)	(54,456)
Interest receivable		—	—	1	77
Interest payable and similar charges	6	(260)	(19,504)	(498)	(38,413)
Profit/(loss) on ordinary activities before taxation		305	22,880	(1,203)	(92,792)
Tax on profit/(loss) on ordinary activities	7	(83)	(6,226)	351	27,074
Profit(loss) for the financial period	21	222	16,654	(852)	(65,718)

All of the activities of the Company are classed as continuing. The Company has no recognized gains or losses other than the results for the period as set out above.

Balance sheet

Particulars	Note	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Fixed assets					
Tangible assets	8	412	33,434	439	35,460
Investments	9	6	387	6	461
		418	33,821	445	35,920
Current assets					
Stocks	10	12,085	815,163	8,775	704,047
Debtors	11	14,281	963,289	9,610	771,042
Cash at bank		15	1,012	2,249	180,445
		26,381	1,779,464	20,634	1,655,534
Creditors: amounts falling due within one year	13	(21,067)	(1,421,022)	(15,307)	(1,228,131)
Net current assets		5,314	358,443	5,327	427,403
Total assets less current liabilities		5,732	392,264	5,772	463,323
Creditors: amounts falling due after more than one year	14	(236)	(15,919)	(440)	(35,303)
Total assets less liabilities		5,496	376,345	5,332	428,020
Deferred income					
Government grants	17	(242)	(16,324)	(300)	(24,070)
		5,254	360,022	5,032	403,950
Capital and reserves					
Called-up share capital	20	3,015	242,162	3,015	242,162
Profit and loss account & Reserves	21	2,239	117,860	2,017	161,788
Shareholders' funds	22	5,254	360,022	5,032	403,950

These financial statements were approved by the directors and authorised for issue on 20-05-2010 and are signed on their behalf by:

(Sanjay Aggarwal)
Director

CASH FLOW STATEMENT

Particulars	Note	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
Net cash (outflow)/inflow from operating activities	23	(6,293)	(420,439)	1,044	86,324
Returns on investments and servicing of finance					
Interest received		—	—	1	77
Interest paid		(290)	(21,755)	(606)	(46,743)
Net cash outflow from returns on investments and servicing of finance		(290)	(21,755)	(605)	(46,666)
Taxation		(529)	(39,684)	(269)	(20,749)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		—	—	(20)	(1,605)
Receipts from sale of fixed assets		—	—	5	401
Net cash outflow for capital expenditure and financial investment		—	—	(15)	(1,203)
Acquisitions and disposals					
Cash paid to acquire trade/business		—	—	(930)	(74,617)
Net cash outflow from acquisitions and disposals		—	—	(930)	(74,617)
Cash outflow before financing		(7,112)	(481,878)	(775)	(56,912)
Financing					
New grants received		—	—	100	8,023
Unrealised foreign exchange fluctuations		—	2,156	—	(5,268)
Net cash inflow from financing		—	2,156	100	2,755
Decrease in cash	24	(7,112)	(479,722)	(675)	(54,157)

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below:

Particulars	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
United Kingdom	20,866	1,565,311	31,443	2,425,319
Europe	4,558	341,929	2,169	167,303
Rest of world	4,209	315,748	6,274	483,937
	29,633	2,222,988	39,886	3,076,559
2 Other operating charges				
Distribution costs	405	30,382	593	45,741
Administrative expenses	3,339	250,483	4,770	367,928
	3,744	280,865	5,363	413,669
3 Operating profit/(loss)				
Other profit is stated after charging/(crediting):				
Amortisation of government grants	(58)	(4,351)	(160)	(12,341)
Depreciation of owned fixed assets	27	2,025	45	3,471
Profit on disposal of fixed assets	—	—	5	386
Auditor`s remuneration:				
Audit fees	30	2,251	30	2,314
other fees - taxation	5	375	5	386
Operating lease costs:				
- Land and buildings	223	16,729	441	34,016
- Other	46	3,451	72	5,554
Net profit on foreign currency translation	(31)	(2,326)	(65)	(5,014)

4 Particulars of employees

The average number of staff employed by the Company during the financial period amounted to:

Particulars	31 Mar 2010 No	31 Aug 2009 No
Production staff	248	227
Distribution staff	42	45
Administrative staff	22	22
	312	294

The aggregate payroll costs of the above were:

Particulars	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
Wages and salaries	4,183	313,797	6,595	508,697
Social security costs	389	29,182	654	50,446
Other pension costs	157	11,778	265	20,440
	4,729	354,757	7,514	579,583
5 Directors				
Remuneration in respect of directors was as follows:				
Remuneration receivable	171	12,828	286	22,060
Value of Company pension contributions to money purchase schemes	5	375	9	694
	176	13,203	295	22,754
Remuneration of highest paid director:				
Total remuneration (excluding pension contributions)	66	4,951	97	7,482
Value of Company pension contributions to money purchase schemes	3	225	5	386
	69	5,176	102	7,868

The number of directors who accrued benefits under Company Pension schemes was as follows:

Particulars	Period from 1 Sep 09 to 31 Mar 10 No	Period from 1 Sep 08 to 31 Aug 09 No
Money purchase schemes	2	3

6 Interest payable and similar charges

Particulars	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
Interest payable on bank borrowing	260	19,504	498	38,413

7 Taxation on ordinary activities

(a) Analysis of charge in the period				
Current tax:				
In respect of the period:				
UK Corporation tax based on the results for the period at 28% (2009 - 28%)	72	5,401	(413)	(31,856)
(Over)/under provision in prior year	(2)	(150)	29	2,237
Total current tax	70	5,251	(384)	(29,619)
Deferred tax:				
Origination and reversal of timing differences	13	975	33	2,545
Tax on profit/(loss) on ordinary activities	83	6,226	(351)	(27,074)

Particulars	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
(b) Factors affecting current tax charge				
The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 29.16%				
Profit/(loss) on ordinary activities before taxation	305	22,880	(1,203)	(92,792)
Profit/(loss) on ordinary activities by rate of tax	86	6,451	(337)	(25,994)
Expenses not deductible for tax purposes	3	225	6	463
Capital allowances for period in excess of depreciation	(9)	(675)	(38)	(2,931)
Tax chargeable at lower rates	(3)	(225)	—	—
Adjustments to tax charge in respect of previous periods	(2)	(150)	29	2,237
Other timing differences	(5)	(375)	(29)	(2,237)
Corporation tax rate change	—	—	(15)	(1,157)
Total current tax (Note 7(a))	70	5251	(384)	(29,619)

8 Tangible fixed assets

Particulars	Plant & Machinery £ 000	Plant & Machinery (Rs./000)	Fixtures & Fittings £ 000	Fixtures & Fittings (Rs./000)	Motor Vehicles £ 000	Motor Vehicles (Rs./000)	Total £ 000	Total (Rs./000)
Cost								
at 1 September 2009	486	39,035	28	2,259	19	1,534	533	42,828
and 31 March 2010								
Depreciation								
at 1 September 2009	77	6,063	10	765	7	541	94	7,369
Charge for the period	22	1,650	3	225	2	150	27	2,025
At 31 March 2010	99	7,713	13	990	9	691	121	9,394
Net book value								
At 31 March 2010	387	31,322	15	1,269	10	843	412	33,434
At 31 August 2009	409	32,973	18	1,494	12	993	439	35,460

9 Investments

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Cost	6	387	6	461
Net book value at 31st Aug., 2009 & 31st March, 2010	6	387	6	461

10 Stocks

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Raw materials	1,226	82,697	1,311	105,186
Work in progress	4,706	317,431	3,385	271,590
Finished goods	6,153	415,035	4,079	327,271
	12,085	815,163	8,775	704,047

11 Debtors

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Trade debtors	13,755	927,809	9,275	744,164
Other debtors	118	7,959	53	4,252
Prepayments and accrued income	402	27,116	263	21,101
Deferred taxation (note 12)	6	405	19	1,525
	14,281	963,289	9,610	771,042

12 Deferred taxation

The deferred tax included in the balance sheet is as follows:

Particulars	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
Included in debtors (note 11)	6	405	19	1,524
The movement in the deferred taxation account during the period was:				
Balance brought forward	19	1,282	52	4,172
Profit and loss account movement arising during the period	(13)	(877)	(33)	(2,648)
Balance carried forward	6	405	19	1,524
The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:				
Excess of taxation allowances over depreciation on fixed assets	(48)	(3,238)	(39)	(3,129)
Other timing differences	54	3,642	58	4,654
	6	405	19	1,524

13 Creditors: amounts falling due within one year

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Other short term financing	—	—	9,974	800,247
Overdrafts	14,852	1,001,805	—	—
Trade creditors	1,976	133,286	1,889	151,561
Amounts owed to group undertakings	869	58,616	931	74,697
Corporation tax	139	9,376	598	47,980
Other taxation and social security	1,968	132,747	979	78,548
Other creditors	56	3,777	46	3,691
Accruals and deferred income	1,207	81,415	890	71,407
	21,067	1,421,022	15,307	1,228,131

Overdrafts are secured by means of a fixed and floating charge on the assets of the company. Certain of the directors have guaranteed the overdraft.

14 Creditors: amounts falling due after more than one year

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Accruals and deferred income	236	15,919	440	35,303

15 Pensions

Defined contribution scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year was £157,000(2009: £265000).Contributions outstanding at the year end were £31,000 (2009: £41,000).

16 Derivatives

The fair value of derivatives held by the company at the company at the year end, not recognized in the financial statements, is as set out below.

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Copper forward contracts	—	—	218	17,491

17 Government grants

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Received and receivable:				
At 1 September 2009	500	33,726	400	32,093
Receivable during period	—	—	100	8,024
At 31 March 2010	500	33,726	500	40,117
Amortisation:				
At 1 September 2009	200	13,491	40	3,209
Credit to profit and loss account	58	3,912	160	12,838
At 31 March 2010	258	17,403	200	16,047
Net balance at 31 March 2010	242	16,324	300	24,070

18 Commitments under operating leases

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below.

	31 March 2010				31 August 2009			
	Land and building £ 000	other items £ 000	Land and building Rs/ thousand	other items Rs/ thousand	Land and building £ 000	other items £ 000	Land and building Rs/ thousand	other items Rs/ thousand
Operating lease which expire:								
Within 1 year	—	—	—	—	—	3	—	241
Within 2 to 5 years	550	76	37,099	5,126	550	66	44,128	5,295
	550	76	37,099	5,126	550	69	44,128	5,536

19 Related party transactions

The company has taken advantage of the exemption available under FRS 8 and has not disclosed transactions with companies that are part of the group headed by Paramount Communications Limited.

20 Share capital

Authorised share capital:

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
20,000 Ordinary shares of £1 each	20	1,606	20	1,606
2,995,000 Preference shares of £1 each	2,995	240,556	2,995	240,556
	3,015	242,162	3,015	242,162

Allotted, called up and fully paid:

Particulars	31 Mar 10 No.	31 Mar 10 £ 000	31 Mar 10 (Rs./Thousand)	31 Aug 09 No.	31 Aug 09 £ 000	31 Aug 09 (Rs./Thousand)
20,000 Ordinary shares of £1 each	20,000	20	1,606	20,000	20	1,606
2,995,000 Preference shares of £1 each	2,995,000	2,995	240,556	2,995,000	2,995	240,556
	3,015,000	3,015	242,162	3,015,000	3,015	242,162

The preference share holders have the same rights to dividends as the ordinary share holders. On a return of assets on liquidation, the assets of the company are applied first to the preference share holders. The company may, with the prior consent of the holders of 75% of the preference shares, redeem any of all of the preference shares at any time.

21 Reserves

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Profit and loss account (Opening Balance)	2,017	166,894	2,869	232,612
Profit for the Period	222	16,654	(852)	(65,718)
Foreign Exchange fluctuation reserve	—	(65,688)	—	(5,106)
Total	2,239	117,860	2,017	161,788

22 Reconciliation of movements in shareholder's funds

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Profit/(loss) for the financial period	222	16,654	(852)	(65,718)
Opening shareholders' funds	5,032	403,950	5,884	472,562
Foreign Exchange fluctuation reserve	—	(60,582)	—	(2,894)
Closing shareholders' funds	5,254	360,022	5,032	403,950

23 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities

Particulars	Period from 1 Sep 09 to 31 Mar 10 £ 000	Period from 1 Sep 09 to 31 Mar 10 (Rs./Thousand)	Period from 1 Sep 08 to 31 Aug 09 £ 000	Period from 1 Sep 08 to 31 Aug 09 (Rs./Thousand)
Operating profit/(loss)	565	42,385	(706)	(54,456)
Depreciation	27	2,025	45	3,471
Profit on disposal of fixed assets	—	—	(5)	(386)
Amortisation of government grants	(58)	(4,351)	(160)	(12,341)
Increase in stocks	(3,310)	(223,268)	(1,211)	(97,163)
(Increase)/decrease in debtors	(4,684)	(315,948)	2,263	181,568
Increase in creditors	1,167	78,718	1,663	133,428
Decrease in provisions	—	—	(845)	(67,797)
Net cash (outflow)/inflow from operating activities	(6,293)	(420,439)	1,044	86,324

24 Reconciliation of net cash flow to movement in net debt

Particulars	31 Mar 2010 £ 000	31 Mar 2010 (Rs./Thousand)	31 Aug 2009 £ 000	31 Aug 2009 (Rs./Thousand)
Decrease in cash in the period	(7,112)	(479,722)	(675)	(54,157)
Net cash outflow from loan notes	—	—	930	74,617
	(7,112)	(479,722)	255	20,459
Change in net debt	(7,112)	(479,722)	255	20,459
Net debt at 1 September 2009	(7,725)	(620,510)	(7,980)	(640,970)
Net debt at 31 March 2010	(14,837)	(1,100,233)	(7,725)	(620,510)

25 Analysis of changes in net debt

Particulars	Cash Flow 31 Mar 10 £ 000	At 31 Mar 10 £ 000	At 31 Mar 10 (Rs./Thousand)	Cash Flow 31 Aug 09 £ 000	At 31 Aug 09 £ 000	At 31 Aug 09 (Rs./Thousand)
Net cash:						
Cash in hand and at bank	(2234)	15	1,012	1,864	2,249	180,445
Other short term financing/ overdrafts	(4,878)	(14,852)	(1,101,245)	(2,539)	(9,974)	(800,955)
Net debt	(7,112)	(14,837)	(1,100,233)	(675)	(7,725)	(620,510)

26 Ultimate parent company

Paramount Holdings Limited is the company's controlling related party by virtue of its 100 per cent interest in the company. The largest and the smallest group in which the results of the company are consolidated is that headed by Paramount Communications Limited.

The company's ultimate controlling related party and ultimate parent undertaking is Paramount Communications Limited, which is registered in India.

Copies of the consolidated financial statements are available from Paramount Communications Limited's registered address, Paramount House, C-125, Naraina Industrial Area, Phase-1, New Delhi-110028, India.

**PARAMOUNT HOLDINGS LIMITED
BOARD OF DIRECTORS AND OTHER OFFICERS**

Board of Directors:	CCY Management Limited Pimiento Limited Sandeep Aggarwal Sanjay Aggarwal Sylvia Bark (appointed 6 March 2008, resigned 1 June 2009)
Company Secretary:	CCY Services Limited
Independent Auditors:	MGI Gregoriou & Co Ltd Certified Public Accountants (CY) 7 Florinis Street Greg Tower, 6th floor P.C. 1065, Nicosia, Cyprus
Registered office:	10 Diomidous Street Alphamega Akropolis Building 3rd Floor, Office 401 P.C. 2024, Nicosia, Cyprus
Banker:	BNP Paribas Ltd
Registration number:	204297

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year from 1 April 2009 to 31 March 2010.

Incorporation

The Company Paramount Holdings Limited was incorporated in Cyprus on 20 July 2007 as a limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activity

The principal activity of the Company is to act as a holding company.

Results

The Company's results for the year are set out on page 118.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at 31 March 2010 and at the date of this report are presented on page 114.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors

The independent auditors, MGI Gregoriou & Co Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors

Nicosia, 25 May 2010

**CCY Services Limited
Secretary**

INDEPENDENT AUDITORS' REPORT

To the Members of
Paramount Holdings Limited

Report on the Financial Statements

We have audited the financial statements of the parent company Paramount Holdings Limited (the "Company") on pages 118 to 124, which comprise the statement of financial position as at 31 March 2010, and the statements of other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Paramount Holdings Limited as at 31 March 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of the Cyprus Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account

- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on page 115 is consistent with the financial statements.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Cyprus Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Nicosia, 25 May 2010

MGI Gregoriou & Co Ltd
Certified Public Accountants (CY)

PARAMOUNT HOLDINGS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
Year from 1 April 2009 to 31 March 2010

Particulars	Note	01.04.09 to 31.03.10 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.09 €	01.04.08 to 31.03.09 Rs.
Staff costs	5	(4,025)	(271,569)	—	—
Administration and other expenses	3	(11,448)	(772,402)	(14,831)	(974,828)
Operating loss	4	(15,473)	(1,043,971)	(14,831)	(974,828)
Finance costs	6	(251)	(16,935)	(294)	(19,324)
Loss before Tax		(15,724)	(1,060,906)	(15,125)	(994,152)
Tax	7	—	—	—	—
Net loss for the year		(15,724)	(1,060,906)	(15,125)	(994,152)
Other comprehensive income		—	—	—	—
Total comprehensive expense for the year		(15,724)	(1,060,906)	(15,125)	(994,152)

STATEMENT OF FINANCIAL POSITION
01.04.2009 - 31.03.2010

Particulars	Note	31.03.2010 €	31.03.2010 Rs.	31.03.2009 €	31.03.2009 Rs.
ASSETS					
Non-current assets					
Investments in subsidiaries	8	4,462,011	267,397,164	4,462,011	299,389,783
		4,462,011	267,397,164	4,462,011	299,389,783
Current assets					
Receivables	9	3,163	189,551	—	—
Cash at bank and in hand		2,689	161,145	1,940	130,169
		5,852	350,696	1,940	130,169
Total assets		4,467,863	267,747,860	4,463,951	299,519,952
EQUITY AND LIABILITIES					
Equity					
Share capital	10	6,156	368,914	6,156	413,052
Other reserves	11	4,443,225	266,271,366	4,443,225	298,187,698
Accumulated losses		(20,065)	(1,450,098)	(4,341)	(311,929)
Total equity		4,429,316	265,190,182	4,445,040	29,8288,821
Non-current liabilities					
Borrowings	12	35,480	2,373,880	10,000	633,225
		35,480	2,373,880	10,000	633,225
Current liabilities					
Trade and other payables	13	3,067	183,798	8,911	597,906
		3,067	183,798	8,911	597,906
Total liabilities		38,547	2,557,678	18,911	1,231,131
Total equity and liabilities		4,467,863	267,747,860	4,463,951	299,519,952

On 25 May 2010 the Board of Directors of Paramount Holdings Limited authorized these financial statements for issue.

CCY Management Limited
Director

Pimiento Limited
Director

STATEMENT OF CHANGES IN EQUITY
Year from 1 April 2009 to 31 March 2010

Particulars	Share capital €	Share premium €	Difference from conversion into euro €	Accumulated losses €	Total €
Balance- 1 April 2008 (€)	6,189	4,443,192	—	10,784	4,460,165
Net loss for the year	—	—	—	(15,125)	(15,125)
Conversion of share capital into euro	(33)	(1,638)	1,671	—	—
Balance- 31 March 2009 (€)	6,156	4,441,554	1,671	(4,341)	4,445,040
Net loss for the year	—	—	—	(15,724)	(15,724)
Balance- 31 March 2010 (€)	6,156	4,441,554	1,671	(20,065)	4,429,316
Balance- 31 March 2010 (In Rs.)	368914	266171227	100139	(1202445)	265190182

CASH FLOW STATEMENT
Year from 1 April 2009 to 31 March 2010

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(15,724)	(1,060,906)	(15,125)	(994,152)
Unrealised exchange (profit) / loss	(29)	(1,957)	111	7296
Cash flows used in / from operations before working capital Changes	(15,753)	(1,062,863)	(15,014)	(986,856)
(Increase) / decrease in receivables	(3,163)	(189,551)	1,006	63,642
Decrease in trade and other payables	(5,844)	(414,108)	(503)	(2,353)
Net cash flows used in / from operating activities	(24,760)	(1,666,522)	(14,511)	(920,861)
CASH FLOW FROM INVESTING ACTIVITIES	—	—	—	—
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds form borrowings	25,480	1,740,655	10,000	633,225
Unrealised exchange (profit) / loss	29	(43,157)	(111)	2,676
Net cash flows from financing activities	25,509	1,697,498	9,889	635,901
Net (increase) / decrease in cash and cash equivalents	749	30,976	(4,622)	(284,960)
Cash and cash equivalents:				
At beginning of the year	1,940	130,169	6,562	415,129
At end of the year	2,689	161,145	1,940	130,169

NOTES TO THE FINANCIAL STATEMENTS

Year from 1 April 2009 to 31 March 2010

1. Incorporation and principal activities

Country of incorporation

The Company Paramount Holdings Limited (the 'Company') was incorporated in Cyprus on 20 July 2007 as a limited liability Company under the Cyprus Companies Law, Cap.113. Its registered office is at 10 Diomidous Street, Alphamega Akropolis Building, 3rd Floor, Office 401, P.C. 2024, Nicosia, Cyprus.

Change of Company name

On 28 August 2007, the Company changed its name from Springmont Holdings Limited to Paramount Holdings Limited.

Principal activity

The principal activity of the Company is to act as a Holding Company.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent Company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in India and the Company does not intend to issue consolidated financial statements for the year from 1 April 2009 to 31 March 2010.

Since the EU 7th Directive Permits the preparation of such consolidated financial statements in accordance with the Directive or in a manner equivalent to that Directive and since the Cyprus Companies Law, cap.113, provides for the aforementioned exemption, the provisions in IAS 27 "Consolidated and separate Financial statements" requiring the preparation of such consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

3. Administration and other expenses

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Sundry operating expenses	11,448	772,402	14,831	(974,828)
	11,448	772,402	14,831	(974,828)

4. Operating (loss)

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Operating (loss) is stated after charging the following items:				
Directors' fee (Note 14)	4,025	271,569	—	—
Staff costs (Note 5)	4,025	271,569	—	—
Auditors' remuneration	1,611	108,695	1,955	128,500

5. Staff costs

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Wages and salaries	4,025	271,569	—	—
	4,025	271,569	—	—

6. Finance costs

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Net foreign exchange transaction losses	(29)	(1,957)	111	7,296
Other finance expenses	280	18,892	183	12,028
	251	16,935	294	19,324

7. Tax

The corporation tax rate is 10%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the following year.

8. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding 1.04.09 to 31.03.2010 %	Holding 1.04.08 to 31.03.2009 %	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
AEI Cables Limited (formerly WH 336 Limited)	England and Wales	Design, manufacturing and sale of cables for domestic and industrial	100	100	4,462,011	267,397,164	4,462,011	299,389,783
					4,462,011	267,397,164	4,462,011	299,389,783

9. Receivables

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Deposits and prepayments	3,163	189,551	—	—
	3,163	189,551	—	—

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note of the financial statements.

10. Share capital

Particulars	31.03.2010 Number of shares	31.03.2010 €	31.03.2010 Rs.	31.03.2009 Number of shares	31.03.2009 €	31.03.2009 Rs.
Authorised						
Ordinary shares of € 1.71 each	5,000	8,550	512,380	5,000	8,550	573,683
Issued and fully paid						
On 1 April	3,600	6,156	368,914	3,600	6,189	415,226
Conversion of share capital into euro	—	—	—	—	(33)	(2,174)
Balance at 31 March 2010	3,600	6,156	368,914	3,600	6,156	413,052

11. Other reserves

Particulars	Share premium €	Difference from conversion into €	Total €	Total (Rs.)
Balance 1 April 2008	4,443,192	—	4,443,192	298,185,524
Conversion of capital to euro	(1,638)	1,671	33	2,174
Balance at 31 March 2009	4,441,554	1,671	4,443,225	298,187,698
Balance at 31 March 2010	4,441,554	1,671	4,443,225	266,271,366

12. Borrowings

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Non current borrowings				
Loan from parent Company (Note 14)	35,480	2,373,880	10,000	633,225
	35,480	2,373,880	10,000	633,225

13. Trade and other payables

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Accruals	3,067	183,798	8,911	597,906
	3,067	183,798	8,911	597,906

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

14. Related party transactions

The Company is controlled by Paramount Communications Limited, incorporated in India, Which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

14.1 Director's remuneration

The remuneration of Directors' and other members of Key Management was as follows :

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Directors' fees	4,025	271,569	—	—
	4,025	271,569	—	—

14.2 Loans from related undertakings (Note 12)

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Paramount Communications Limited	35,480	2,373,880	10,000	633,225
	35,480	2,373,880	10,000	633,225

The loan from associated Company Paramount Communications Limited was provided interest free, and there was no specified repayment date.

15 Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

DETAILED INCOME STATEMENT
Year from 1 April 2009 to 31 March 2010

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Revenue				
Staff costs	(4,025)	(271,569)	—	—
	(4,025)	(271,569)	—	—
Other operating expenses	(11,448)	(772,402)	(14,831)	(974,828)
Operating loss	(15,473)	(1,043,971)	(14,831)	(974,828)
Finance costs	(251)	(16,935)	(294)	(19,324)
Net loss for the year before tax	(15,724)	(1,060,906)	(15,125)	(994,152)

OPERATING EXPENSES
Year from 1 April 2009 to 31 March 2010

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Staff costs				
Wages and salaries	4,025	271,569	—	—
	4,025	271,569	—	—
Other operating expenses				
Auditors' remuneration	1,611	108,695	1,955	128,500
Accounting fees	2,780	187,568	3,157	207,507
Legal fees	345	23,277	—	—
Management fees	5,239	353,478	7,556	496,649
General Expenses	1,473	99,384	2,163	142,172
	11,448	772,402	14,831	974,828

FINANCE COST
Year from 1 April 2009 to 31 March 2010

Particulars	01.04.09 to 31.03.2010 €	01.04.09 to 31.03.2010 Rs.	01.04.08 to 31.03.2009 €	01.04.08 to 31.03.2009 Rs.
Finance costs				
Other finance expenses				
Bank charges	280	18,892	183	12,028
Net foreign exchange transaction losses				
Unrealised exchange loss	(29)	(1,957)	111	7,296
	251	16,935	294	19,324



PARAMOUNT COMMUNICATIONS LIMITED

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

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 16th Annual General Meeting of the Company being held on Monday, September 27th, 2010 at 11:00 A.M. at Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Near Inter State Bus Terminus, 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.



PARAMOUNT COMMUNICATIONS LIMITED

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

PROXY

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	_____	_____	_____

being a member/members of Paramount Communiations Limited hereby appoint _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my behalf at the 16th Annual General meeting of the Company being held on Monday, September 27th, 2010 at 11:00 A.M. at Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Near Inter State Bus Terminus, Delhi-54, India and at any adjournment thereof.

Signature of the shareholder (s)

1. _____

2. _____

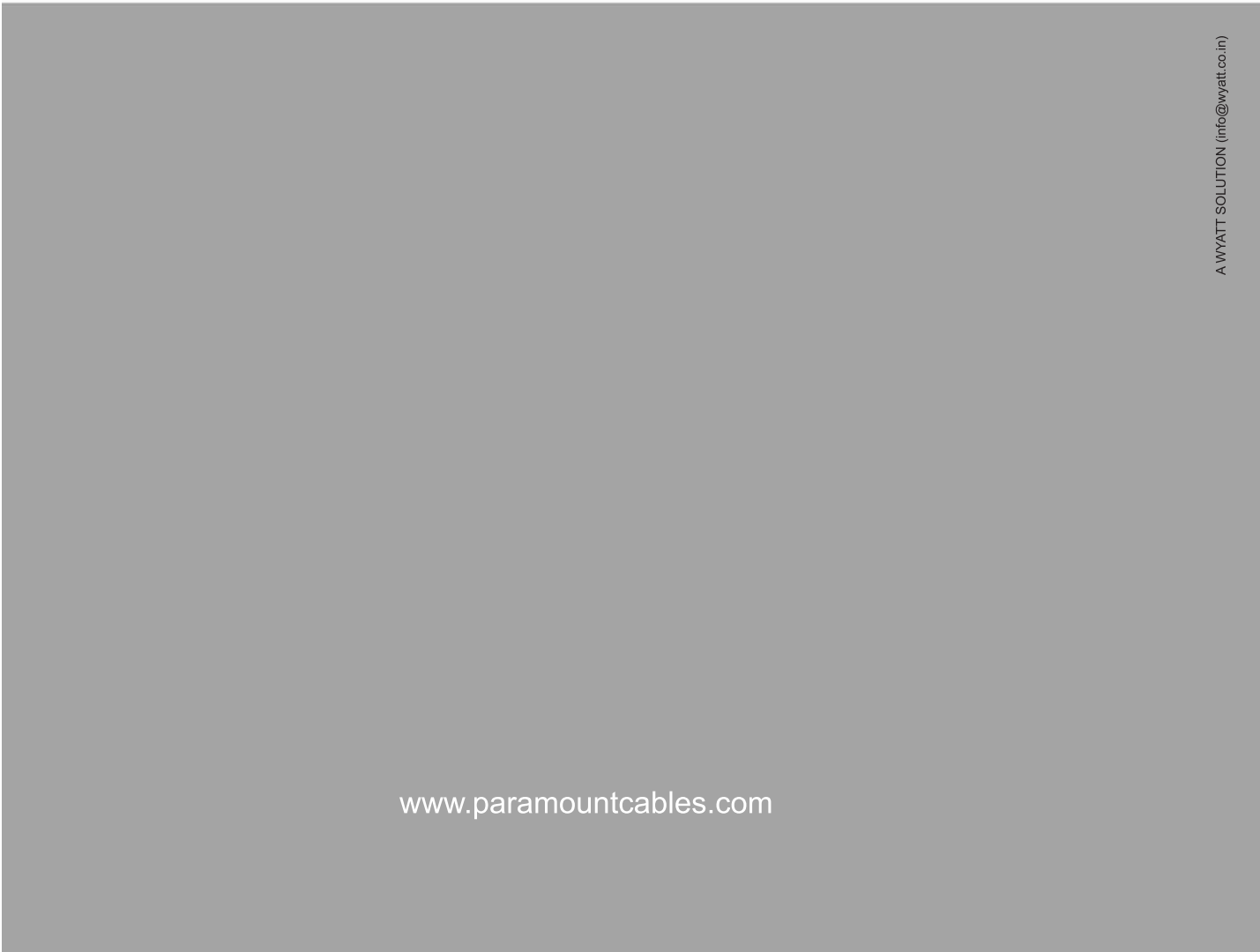
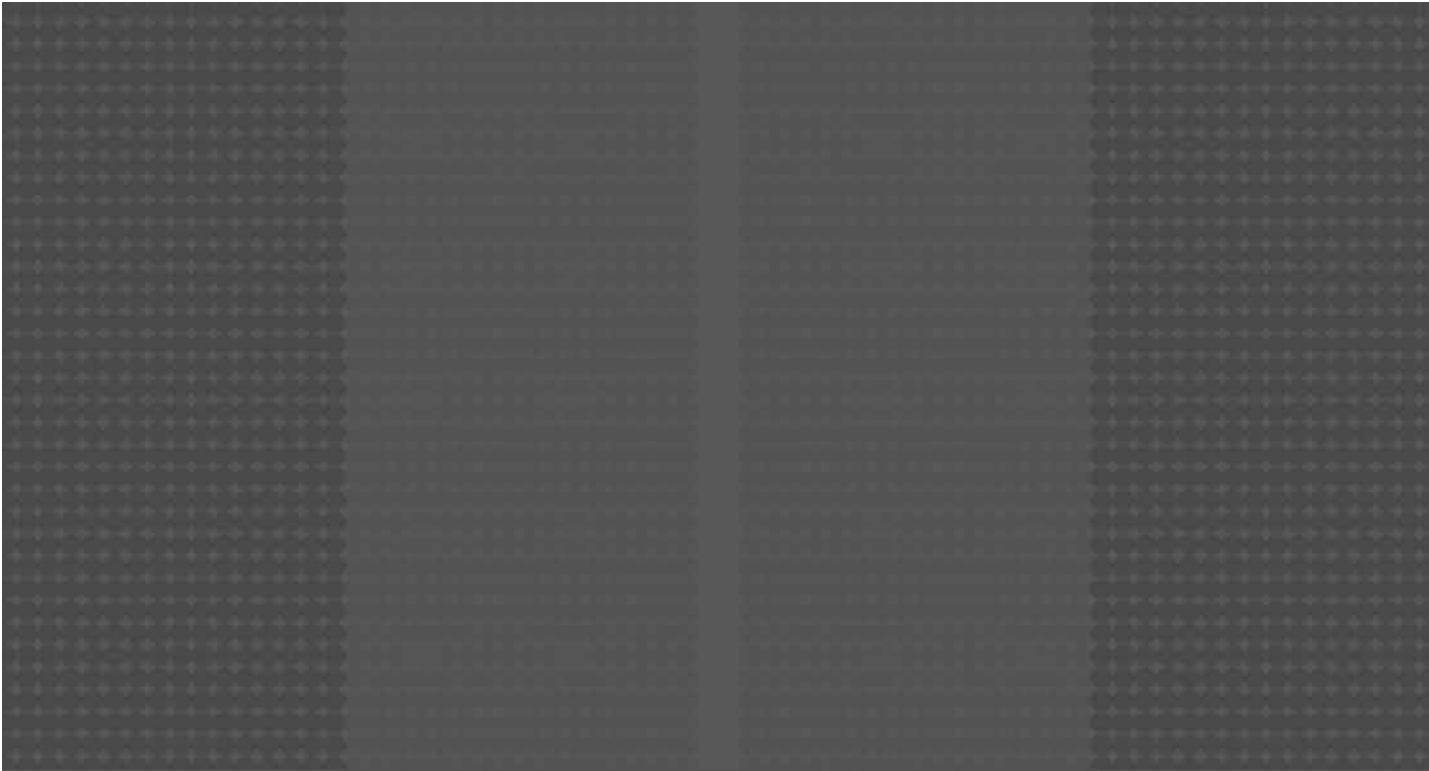
3. _____

* *Applicable for investors holding shares in electronic form*



Date: / /2010

Note: The proxy form duly filled in and stamped must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the Company



A WYATT SOLUTION (info@wyatt.co.in)

www.paramountcables.com