

JAGDISH CHAND & CO.

CHARTERED ACCOUNTANTS

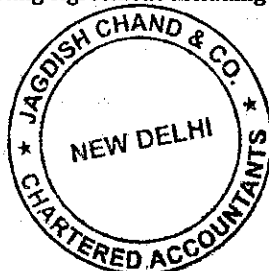
H-20, LGF, GREEN PARK (MAIN), NEW DELHI- 110 016, INDIA
Phones: 26511953, 26533626, 41759467 Fax: 41759467 email: mail@jcandco.org

To
The Board of Directors
Paramount Communications Limited
New Delhi

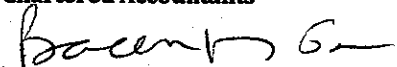
LIMITED REVIEW REPORT OF THE STATUTORY AUDITORS ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2012.

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Paramount Communications Limited for the quarter ended 30th June, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialed by us for identification purposes. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying, we invite attention to the following:
 - The accompanying financial statements have been prepared on a going concern basis despite significant erosion of net worth, default in redemption of Foreign Currency Convertible Bonds (FCCBs). The appropriation of the said basis is inter alia dependent on successful implementation of Corporate Debt Restructuring (CDR) package.
4. We state that no provision has been made for premium on redemption of US \$ 7.5 Million 1% Foreign Currency Convertible Bonds (FCCBs) due on 23rd November, 2011 amounting to Rs. 2167.74 lacs (gross of tax) up to the quarter ended 30th June, 2012. In our opinion, this accounting treatment is not in accordance with current accounting standards i.e. AS-16. However, this will have no impact on loss for the quarter, had the premium would have been adjusted against the Securities Premium Account.
5. We have not reviewed the financial statements of three subsidiaries namely AEI Cables Limited, United Kingdom, AEI Power Cables Ltd., United Kingdom and Paramount Holdings Limited, Cyprus. These financial statements reflect total loss of Rs. 2,037,687/-, total income of Rs. 657,349,155/- and total expenditure of Rs. 659,386,842/- for the quarter ended 30th June, 2012 and financial statements of one associate wherein the company's share of Loss aggregates to Rs. 232,180/-. For the quarter ended 30th June, 2012. These unaudited financial statements have been incorporated as furnished to us by the management of the subsidiaries and our report is so far as, it relates to the amounts included in respect of the subsidiaries is solely on such unaudited financial statements. Share of Loss in Paramount Wires & Cables Limited, Associate of the Company, has been incorporated based upon unaudited financial statements of the Associate as furnished to us by the management.
6. Subject to (4) above, based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi
Dated: 9th August, 2012



For JAGDISH CHAND & CO.
Chartered Accountants


(Praveen Kumar Jain)

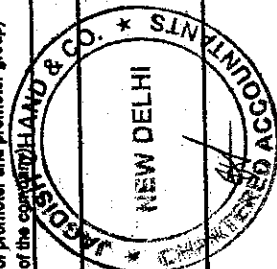
Partner
M. No. 85629
Firm Registration Number- 000129N

(₹ in Lacs except as stated)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2012					
S.No.	Particulars	30.06.2012 (Unaudited)	Quarter ended 31.03.2012 (Unaudited)	30.06.2011 (Unaudited)	Year ended 31.03.2012 (Audited)
	a) Net Sales / Income from Operations	15227.52	15227.52	15536.34	70,231.16
	b) Other Operating Income	-	7.87	-	28.92
	c) Total Income	15227.52	15235.39	15536.34	70,260.10
1.	Expenditure				
	(a) Consumption of raw materials	11,825.39	13540.36	10,404.08	52,709.58
	(b) Purchase of traded goods	287.79	1872.25	870.79	2,100.83
	(c) (Increase)/Decrease in Stocks in trade & WIP	(871.71)	1921.97	1657.39	1,716.54
	(d) Employees Cost	1,541.46	1395.91	1666.08	6,129.28
	(e) Depreciation	308.79	312.05	316.04	1,278.68
	(f) Other expenditure	2,497.04	2547.82	2099.99	9,445.38
	(g) Total Expenditure	15,888.78	21,590.36	17,014.95	73,380.09
3.	Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	(330.24)	(1,661.77)	(1,478.51)	(3,121.99)
4.	Other Income	51.95	48.22	165.21	307.75
5.	Profit/(Loss) before Interest and Exceptional Items (3+4)	(287.29)	(1,613.55)	(1,313.40)	(2,814.24)
6.	Interest	1,139.97	1,008.08	998.08	3,948.85
7.	Profit/(Loss) after Interest but before Exceptional Items (5-6)	(1,427.26)	(2,623.63)	(2,311.46)	(6,762.09)
8.	Exceptional Items (Net)	0.00	21.51	-	1,742.18
9.	Profit/(Loss) from Ordinary Activities before tax (7+8)	(1,427.26)	(2,602.12)	(2,311.46)	(5,020.71)
10.	Tax Expenses	0.00	10.99	-	4.85
11.	Net Profit/(Loss) from Ordinary Activities after tax (9)-(10)	(1,427.26)	(2,612.71)	(2,311.46)	(5,025.56)
12.	Extraordinary Items (net of tax expenses)	-	-	-	-
13.	Net Profit/(Loss) for the period	(1,427.26)	(2,612.71)	(2,311.46)	(5,025.56)
14.	Share of Profit / (Loss) of Associate	(3.32)	21.50	(23.76)	(20.24)
15.	Minority Interest	-	-	-	-
16.	Total Net Profit / (Loss) (13+14)	(1,429.58)	(2,591.21)	(2,335.22)	(5,045.80)
17.	Paid-up Equity Share Capital (Face Value ₹ 2/- each)	1,860.54	1,860.54	1,860.54	1,860.54
18.	Reserves excluding revaluation reserves	-	-	-	(2,217.15)
19.	Earning Per Share (EPS) before and after Extraordinary Items (not annualised)				
	-Basic	(1.84)	(2.79)	(2.57)	(5.45)
	-Diluted	(1.54)	(2.79)	(2.31)	(5.42)
A	PARTICULARS OF SHAREHOLDING				
1.	Public Shareholding				
	- No. of Shares	60,405,758	60,405,758	60,405,758	60,405,758.00
	- Percentage of Shareholding	84.93%	84.93%	84.93%	84.93%
2.	Promoters and promoter group shareholding				
	a) Pledged/Encumbered				
	-Number of Shares	32,319,757	32,319,757	27,927,862	32,319,757
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	88.41%	100.00%
	-Percentage of shares (as a % of the total share capital of the company)	34.74%	34.74%	30.02%	34.74%
	b) Non-encumbered				
	-Number of Shares	-	-	4,391,795	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	13.59%	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	4.72%	-
B	PARTICULARS				
	INVESTOR COMPLAINTS				
	Pending at the beginning of the quarter	Nil	Nil	Nil	Nil
	Received during the quarter	Nil	Nil	Nil	Nil
	Disposed of during the quarter	Nil	Nil	Nil	Nil
	Remaining Unresolved at the end of the quarter	Nil	Nil	Nil	Nil
For Paramount Communi					

For Paramount Communications Ltd.

(Sanjay Aggarwal)
 Chairman & CEO



Notes:

1. The above results reviewed by the Audit Committee have been taken on record by the Board of Directors at their meeting held on 9th August, 2012.

2. The "Limited Review" of the standalone results has been completed by the statutory auditors of the company pursuant to clause 41 of the listing agreement.

3. Consolidated financial results include unaudited financials of AEI Cables Limited, United Kingdom, AEI Power Cables Limited, United Kingdom, Paramount Holdings Limited, Cyprus the wholly owned subsidiaries of the company and the share of profit/(loss) in Paramount Wires & Cables Limited (Associate), in which the company hold 44.49% Equity shares.

4. In accordance with clause 41 of the Listing Agreement, the Company has published consolidated financial results. The unaudited standalone financial results of the Company will, however, be available on the Company's website www.paramountcables.com and on the website of BSE (www.bseindia.com) and/or NSE (www.nseindia.com)

(₹ Lacs)

Particulars	Quarter ended		Year ended
	30.06.2012 (Unaudited)	31.03.2012 (Unaudited)	31.03.2012 (Audited)
Net Sales / Income from Operations	10,016.98	13,591.48	9,505.92
Net Profit/(Loss)	(1,409.16)	(1,336.87)	(1,479.18)
			(5,835.47)

6. The independent auditor of AEI Cables Limited, United Kingdom has reported as "Emphasis of matter" in forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the director's report, notes to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of GBP 377,000/- during the year ended 31st March, 2012. The future of the business is dependent upon successfully trading under the CVA and refinancing the business, which the directors are currently negotiating with the current bankers and a number of potential investors and finance providers. These conditions, along with the other matters explained in the director's report, notes to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

7. Exceptional items for the year ended 31st March, 2012 include write back of creditors & other liabilities of ₹ 1742.18 Lacs by AEI Cables Limited, United Kingdom pursuant to implementation of Company Voluntary Arrangement (CVA).

8. Pursuant to changes made in AS-11 vide Companies (Accounting Standard) Amendment Rules, 2011, foreign exchange difference arising on long term foreign currency monetary items-FCCBs used for acquiring depreciable assets has been adjusted with the cost of fixed assets and in other cases has been transferred to Profit & Loss Account. Exchange fluctuation on ECB has been fully transferred to Foreign Currency Monetary Items Translation Difference Account (FCMTDA).

9. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23rd November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹ 2,167.74 Lacs (gross of tax) and the same has not been provided. This has been qualified by the Statutory Auditors in their Limited Review Report and Audit Report. The Company has duly informed the FCCB holders about its financial position. In view of this, redemption amount is subject to final settlement with FCCB holders. The premium, if paid, would be adjusted against the Securities Premium Account.

10. CDR-EG vide Letter of Approval (LOA) dated 11th July, 2012 has approved Corporate Debt Restructuring (CDR) Rework Package. As per the CDR Rework Package, repayment of Term Loans have been re-scheduled granting new moratorium. There is no default in payment of Principal and/or Interest to the banks as on date. Master Restructuring Agreement (MRA) is yet to be executed with the banks.

11. Statutory Auditors of the company without qualifying their opinion have drawn attention that the financial statements have been prepared on a going concern basis despite significant erosion of net worth, default in redemption of FCCBs. The appropriation of the said basis is inter-alia dependent on successful implementation of CDR Rework Package.

12. Segment reporting as defined in Accounting Standard 23 is not applicable as the Company operates mainly in one segment i.e. Cables.

13. Figures for the previous quarter/year have been regrouped & rearranged wherever necessary.

For PARAMOUNT COMMUNICATIONS LTD.

Place: New Delhi

Date : 09.08.2012

Sanjay Aggarwal

Chairman & CEO

NEW DELHI

CHARTERED ACCOUNTANTS