

JAGDISH CHAND & CO.

CHARTERED ACCOUNTANTS

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To

The Board of Directors
Paramount Communications Limited
New Delhi

LIMITED REVIEW REPORT OF THE STATUTORY AUDITORS ON THE UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2012.

1. We have reviewed the accompanying statement of standalone unaudited financial results of Paramount Communications Limited for the quarter and half year ended 30th September, 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:
 - a) The accompanying financial statements have been prepared on a going concern basis despite significant erosion of net worth, defaults in redemption of Foreign Currency Convertible Bonds (FCCBs). The appropriation of the said basis is interalia dependent on successful implementation of Corporate Debt Restructuring (CDR) package.
 - b) No provision for diminution in the value of investment in shares of Paramount Wires & Cables Limited (Associate) and Paramount holdings Limited (Subsidiary) has been made. In the opinion of the management diminution in the value of these investments is temporary in nature.
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. 2013.11 lacs (gross of tax) up to quarter and half year ended 30th September, 2012. In our opinion, this accounting treatment is not in accordance with current accounting standards i.e. AS-16. Further had the company provided for the premium on redemption, the "Securities Premium Account" as on 30th September, 2012 would have been lower by Rs. 2013.11lacs and "Other Current Liabilities" as on 30th September, 2012 would have been higher by RS. 2013.11 lacs.*



5. 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: 7th November, 2012



For JAGDISH CHAND & CO.
Chartered Accountants

Praveen Kumar Jain
(Praveen Kumar Jain)

Partner

M. No. 85629

Firm Registration Number- 000129N

S.No.	Particulars	Quarter ended				Six Months ended		Year ended
		30.09.2012 (Unaudited)	30.06.2012 (Unaudited)	30.09.2011 (Unaudited)	30.09.2012 (Unaudited)	30.09.2011 (Unaudited)	31.03.2012 (Audited)	
	a) Net Sales / Income from Operations	11425.36	9920.85	11,466.81	21346.21	20,941.75	46058.72	
	b) Other Operating Income	93.67	96.13	74.82	189.80	105.80	286.58	
1.	c) Total Income	11519.03	10016.98	11541.63	21536.01	21047.55	46345.30	
	Expenditure							
	(a) Consumption of raw materials	9725.70	8,942.72	10,573.48	18668.42	18,611.17	39030.11	
	(b) Purchase of traded goods	-	-	255.82	-	529.44	892.63	
	(c) (Increase)/Decrease in Stocks in Trade & WIP	(293.36)	(919.96)	(1,082.11)	(1213.32)	(1,054.21)	(257.49)	
	(d) Employees Cost	381.87	381.42	349.92	763.29	687.32	1385.36	
	(e) Depreciation	290.29	295.86	312.45	586.15	620.14	1243.40	
	(f) Other expenditure	1574.78	1,717.39	2,106.20	3292.17	3,218.27	6466.31	
	(g) Total Expenditure	11,679.28	10,417.43	12,515.76	22,096.71	22,612.13	48,760.32	
3.	Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	(160.25)	(400.45)	(974.13)	(560.70)	(1,564.58)	(2,415.02)	
4.	Other Income	21.08	29.74	38.57	50.82	66.54	166.94	
5.	Profit/(Loss) before Interest and Exceptional Items (3+4)	(139.17)	(370.71)	(935.56)	(509.88)	(1,498.04)	(2,248.08)	
6.	Interest	1045.37	1,038.45	850.43	2,083.82	1,767.13	3,592.54	
7.	Profit/(Loss) after Interest but before Exceptional Items (5-6)	(1,184.54)	(1,409.16)	(1,785.99)	(2,593.70)	(3,265.17)	(5,830.62)	
8.	Exceptional Items (Net)	-	-	-	-	-	-	
9.	Profit/(Loss) from Ordinary Activities before tax (7+8)	(1,184.54)	(1,409.16)	(1,785.99)	(2,593.70)	(3,265.17)	(5,830.62)	
10.	Tax Expenses	-	-	-	-	-	4.85	
11.	Net Profit/(Loss) from Ordinary Activities after tax (9)-(10)	(1,184.54)	(1,409.16)	(1,785.99)	(2,593.70)	(3,265.17)	(5,835.47)	
12.	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-	
13.	Total Net Profit / (Loss) (11+12)	(1,184.54)	(1,409.16)	(1,785.99)	(2,593.70)	(3,265.17)	(5,835.47)	
14.	Paid-up Equity Share Capital (Face Value ₹ 2/- each)	1,860.54	1,860.54	1,860.54	1,860.54	1,860.54	1,860.54	
15.	Reserves excluding revaluation reserves	-	-	-	-	-	(1,043.95)	
16.	Earning Per Share (EPS) before and after Extraordinary Items (not annualised)							
	-Basic	(1.27)	(1.51)	(1.92)	(2.79)	(3.55)	(6.31)	
	-Diluted	(1.27)	(1.51)	(1.77)	(2.79)	(3.23)	(6.27)	
A	PARTICULARS OF SHAREHOLDING							
1.	Public Shareholding							
	- No. of Shares	60,405,758	60,405,758	60,405,758	60,405,758	60,405,758	60,405,758	
	- Percentage of Shareholding	64.93%	64.93%	64.93%	64.93%	64.93%	64.93%	
2.	Promoters and promoter group shareholding							
	a) Pledged/Encumbered							
	-Number of Shares	32,319,757	32,319,757	32,319,757	32,319,757	32,319,757	32,319,757	
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
	-Percentage of shares (as a % of the total share capital of the company)	34.74%	34.74%	34.74%	34.74%	34.74%	34.74%	
	b) Non-encumbered							
	-Number of Shares	-	-	-	-	-	-	
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-	

ANGLOISH CHAND & CO
New Delhi

For Paramount Communications Ltd.

31.03.2012



(Sanjay Aggarwal)
Chairman & CEO

	PARTICULARS	Quarter ended 30.09.2012		
B	INVESTOR COMPLAINTS			
	Pending at the beginning of the quarter	Nil		
	Received during the quarter	Nil		
	Disposed of during the quarter	Nil		
	Remaining unresolved at the end of the quarter	Nil		

STATEMENT OF ASSETS & LIABILITIES AS PER CLAUSE 41 (V) OF THE LISTING AGREEMENT.

S.No.	PARTICULARS	As at 30.9.2012 (Unaudited)	As at 31.3.2012 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	1,860.54	1,860.54
	(b) Reserves and surplus	(3,546.35)	(952.04)
	Sub-total - Shareholders' funds	(1,685.81)	908.50
2	Non-current liabilities		
	(a) Long-term borrowings	18,097.03	17,918.57
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long-term liabilities	-	-
	(d) Long-term provisions	98.51	92.01
	Sub-Total - Non-Current Liabilities	18,195.54	18,010.58
3	Current liabilities		
	(a) Short-term borrowings	15,828.43	15,746.68
	(b) Trade payables	9,915.49	8,334.53
	(c) Other current liabilities	12,370.31	10,491.91
	(d) Short-term provisions	18.49	19.07
	Sub-total - Current Liabilities	38,132.72	34,592.19
	TOTAL - EQUITY AND LIABILITIES	54,642.45	53,511.27
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets	13,503.52	14,010.44
	(b) Non-current investments	2,812.18	2,812.18
	(c) Long-term loans and advances	399.03	352.01
	(d) Other non-current assets	59.98	134.30
	Sub-total - Non-Current Assets	16,774.71	17,308.93
2	Current Assets		
	(a) Inventories	18,214.86	15,995.06
	(b) Trade Receivables	16,241.89	16,115.49
	(c) Cash and Cash Equivalents	920.15	898.85
	(d) Short-Term Loans and Advances	2,224.53	2,914.81
	(e) Other Current Assets	286.31	278.13
	Sub-total - Current Assets	37,867.74	36,202.34
	TOTAL - ASSETS	54,642.45	53,511.27



For Paramount Communications Ltd.

Sanjay
(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 7th November, 2012
2. The "Limited Review" of the above results has been completed by the statutory auditors of the company pursuant to clause 41 of the listing agreement.
3. 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 (FCMITDA).
4. 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 ₹ 2,013.11 Lacs (gross of tax) and the same has not been provided. Had the company provided for the premium on redemption, the "Securities Premium Account" as on 30th September, 2012 would have been lower by ₹ 2,013.11 lacs and "Other Current Liabilities" as on 30th September, 2012 would have been higher by ₹ 2,013.11 lacs. 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.
5. 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.
6. Statutory Auditors of the company without qualifying their opinion have drawn attention to the following:
 - 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.
 - No provision for diminution in the value of investment in shares of Paramount Wires & Cables Limited (Associate) and Paramount Holdings Limited (Subsidiary) has been made. In the opinion of the management diminution in the value of these investments is temporary in nature.
7. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company operates mainly in one segment i.e. Cables.
8. Figures for the previous quarter/half year / year have been regrouped & rearranged wherever necessary.

Place: New Delhi**Date : 07.11.2012****For PARAMOUNT COMMUNICATIONS LTD.****Sanjay Aggarwal****Chairman & CEO**