

JAGDISH CHAND & CO.

CHARTERED ACCOUNTANTS

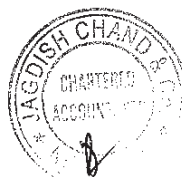
H-20, LGF, GREEN PARK (MAIN), NEW DELHI- 110 016, INDIA
Phones: 26511953, 26533626, 41759467 Fax: 41759467 email: mail@jcandco.org

To

The Board of Directors
Paramount Communications Limited
New Delhi

LIMITED REVIEW REPORT OF THE STATUTORY AUDITORS ON THE UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2013.

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results ('the statement') of Paramount Communications Limited ('the Company') for the quarter and nine months ended 31st December, 2013 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, default in repayment of loans to the banks, default in redemption of Foreign Currency Convertible Bonds (FCCBs) and winding up petition filed against the Company on behalf of FCCB holders. The appropriateness of the said basis is interalia dependent on successful implementation of Corporate Debt Restructuring (CDR) package and outcome of winding up petition filed against the Company.
 - b) For the quarter and nine months ended 31st December, 2013 managerial remuneration of Rs. 22.31 Lacs and Rs.67.97 Lacs respectively (Rs. 8.54 lacs for the year ended 31st March, 2013) to Chairman & CEO and Managing Director is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government. Pending approval from the Central Government in this regard, the impact thereof on the financial statements to the extent of amount of remuneration that may be disallowed by the Central government, if any, is currently unascertainable.
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. 2,370.34 lacs (gross of tax) up to quarter and nine months ended 31st December, 2013. In our opinion, this accounting treatment is not in accordance with Accounting Standard "AS-16". However, this will have no impact on loss for the quarter and nine months ended on 31st December, 2013, had the premium would have been adjusted against the Securities Premium Account.*



5. Based on our review conducted as above, *except for the possible effects of the matter stated in paragraph 4 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.

For JAGDISH CHAND & CO.

Firm Registration Number: 000129N

Chartered Accountants

Place of signing: New Delhi
Date: 14th February, 2014



Praveen Kumar Jain
(Praveen Kumar Jain)
Partner
M. No. 85629

For Paramount Communications Ltd

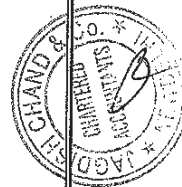
(Sandeep Aggarwal)
Managing Director

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 14th February, 2014
 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. 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. CDR-EG vide Letter of Approval (LOA) dated 11th July, 2012 has approved Corporate Debt Restructuring (CDR) Rework Package. In terms of the approved CDR Rework Package, balance funds of ₹ 2559 Lacs are yet to be infused into the company by way of Equity Share Capital Causing default in repayments to the secured lenders due during quarter and nine months ended 31st December, 2013.
 5. Subsequent to quarter and nine months ended 31st December, 2013, AEI Cables Limited, United Kingdom, a subsidiary of the Company, has given notice of intention to appoint an administrator under the Insolvency Act 1986 of United Kingdom. In view of this development management has made following provisions pertaining to subsidiaries during quarter and nine months ended 31st December, 2013:
- | Particulars | ₹/lacs |
|---|-----------------|
| -Provision for diminution in value of investment: | 2,554.70 |
| -Provision for doubtful debts | 775.14 |
| -Provision for Advance Recoverable | 58.47 |
| Total: | 3,388.31 |
- This amount has been included in exceptional items for the quarter and nine months ended 31st December, 2013. Exceptional item for year ended 31st March, 2013 consists of ₹ 2082.01 lacs on account of write back of secured loans from some banks upon One Time Settlement (OTS) and ₹ 2118.84 lacs on account of profit on sale of Company's 25 Acres Industrial Property.
6. 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 ₹ 2,370.34 lacs (Gross of tax) and the same has not been provided. A winding up petition has been filed against the Company on behalf of the FCCB holders, wherein an interim order has been passed by the Hon'ble High Court of Delhi restricting the Company from alienation, disposal or creation of third party interest or charge on any of its immovable assets. The Company is contesting the case. The matter is presently subjudice. Pending settlement / outcome of court case, no provision for Premium on Redemption has been made in the accounts. The Premium, if paid, would be adjusted against the Securities Premium Account; hence, will not have any effect on loss for the quarter and nine months. This has been qualified by Statutory Auditors in their Auditors Report and Quarterly Limited Review Report.
 7. Statutory Auditors of the company have reported as 'Emphasis of Matter' without qualifying their opinion drawing attention to the following:
 - During the quarter and nine months ended 31st December, 2013 managerial remuneration of ₹ 22.31 lacs and ₹ 67.97 Lacs respectively (₹ 8.54 lacs for the year ended 31st March, 2013) to Chairman & CEO and Managing Director is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government. Pending approval from the Central Government in this regard, the impact thereof on the financial statements to the extent of remuneration that may be disallowed by the Central government, if any, is currently unascertainable.
 - The accompanying financial statements have been prepared on a going concern basis despite significant erosion of net worth, default in repayment of loans to the secured lenders, default in redemption of Foreign Currency Convertible Bonds (FCCBs) and filing of winding up petition against the Company under the Act on behalf of FCCB holders. The appropriateness of the said basis is inter alia dependent on successful implementation of Corporate Debt Restructuring (CDR) package and outcome of winding up petition filed against the Company.
 - 8. No provision for diminution in the value of investment in shares of Paramount Wires & Cables Limited (Associate) has been made, in the opinion of the management diminution in the value of these investments is temporary in nature.
 - 9. Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide order dated 31.10.2013. BIFR has restrained company from disposing of or alienating in any manner any fixed assets of the company without consent of BIFR.
 - 10. During year ended 31st March, 2013, the Company had issued 32,206,500 equity shares at a price of ₹ 2.30 per share (including security premium of ₹ 0.30 per share) to Promoter Group Companies in terms of the CDR Rework Package as per SEBI (CDR) regulations, 2009 and Regulation 10(2) of SEBI (SAST) Regulations, 2011. These equity shares have been pledged in favour of secured lenders.
 - 11. Segment reporting as defined in Accounting Standard 17 is not applicable as Company operates mainly in one segment i.e. Cables.
 - 12. Figures for the previous quarter, nine months and year ended have been regrouped & rearranged, wherever necessary.

Place: New Delhi
Date : 14.02.2014

For PARAMOUNT COMMUNICATIONS LTD.
(Sandeep Aggarwal)
Managing Director



JAGDISH CHAND & CO.

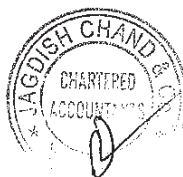
CHARTERED ACCOUNTANTS

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To
The Board of Directors
Paramount Communications Limited
New Delhi

LIMITED REVIEW REPORT OF THE STATUTORY AUDITORS ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2013.

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results ('the statement') of Paramount Communications Limited ('the Company') for the quarter and nine months ended 31st December, 2013 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. These Consolidated Unaudited Financial Results have been prepared by the management in accordance with the requirement of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 23, "Accounting for investment in Associates in Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rule, 2006.
4. Inter company transactions have been eliminated based on information provided by the management.
5. 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, default in repayment of loans to the banks, default in redemption of Foreign Currency Convertible Bonds (FCCBs) and winding up petition filed against the Company on behalf of FCCB holders. The appropriateness of the said basis is interalia dependent on successful implementation of Corporate Debt Restructuring (CDR) package and outcome of winding up petition filed against the Company.
 - b) For the quarter and nine months ended 31st December, 2013 managerial remuneration of Rs. 22.31 Lacs and Rs.67.97 Lacs respectively (Rs. 8.54 lacs for the year ended 31st March, 2013) to Chairman & CEO and Managing Director is as approved by the shareholders by way of postal ballot. However, this is subject to final approval from the Central Government. Pending approval from the Central Government in this regard, the impact thereof on the financial statements to the extent of amount of remuneration that may be disallowed by the Central government, if any, is currently unascertainable.



- c) 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. 1956.52 lacs , total income of Rs. 17,803.55 lacs and total expenditure of Rs.19,760.07 lacs for the nine months ended 31st December, 2013 and financial statements of one associate wherein the company's share of profit aggregates to Rs. 8.87 lacs for the nine months ended 31st December, 2013. 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 Profit 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. *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. 2,370.34 lacs (gross of tax) up to quarter and nine months ended 31st December, 2013. . In our opinion, this accounting treatment is not in accordance with Accounting Standard "AS-16". However, this will have no impact on loss for the quarter and nine months ended on 31st December, 2013, had the premium would have been adjusted against the Securities Premium Account.*
7. Based on our review conducted as above, *except for the possible effects of the matter stated in paragraph 6 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 of signing: New Delhi
Date: 14th February, 2014



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

A handwritten signature in black ink, appearing to read "Praveen Kumar Jain".

(Praveen Kumar Jain)
Partner
M. No. 85629

₹ In Lacs except as stated)

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2013									
S.No.	Particulars	Quarter ended			Nine months ended			Year ended	
		31.12.2013 (Unaudited)	30.09.2013 (Unaudited)	31.12.2012 (Unaudited)	31.12.2013 (Unaudited)	31.12.2012 (Unaudited)	31.03.2013 (Audited)		
1.	a) Net Sales / Income from Operations	17,248.48	13,688.92	17,233.72	45,584.88	48,559.53	67,053.31		
	b) Other Operating Income	338.34	645.32	328.52	1,142.21	821.08	1,018.21		
2.	c) Total Income	17,586.82	14,334.24	17,562.24	46,727.09	49,380.61	68,071.52		
	Expenditure								
	(a) Consumption of raw materials	10,905.05	10,817.24	13,030.09	34,287.18	37,138.46	51,559.71		
	(b) Purchase of traded goods	342.71	371.04	157.77	713.75	590.22	1,017.96		
	(c) (Increase)/Decrease in finished goods, work - in-progress & scrap	2,877.27	375.59	207.78	2,310.73	319.55	1,099.84		
	(d) Employee Benefits Expense	1,779.12	1,849.39	1,542.39	5,273.80	4,600.83	6,187.20		
	(e) Depreciation	289.63	305.93	309.46	880.24	915.70	1,203.32		
	(f) Other expenditure	2,492.95	1,986.29	2,368.47	6,916.07	7,108.02	9,580.92		
3.	(g) Total Expenditure	18,686.73	15,705.48	17,615.96	50,381.77	50,672.78	70,648.95		
	Profit/(Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)	(1,099.91)	(1,371.24)	(53.72)	(3,654.68)	(1,292.17)	(2,577.43)		
4.	Other Income	35.28	42.82	121.95	122.82	210.27	280.36		
5.	Profit/(Loss) before Interest and Exceptional Items (3+4)	(1,064.63)	(1,328.42)	(68.23)	(3,531.86)	(1,081.90)	(2,297.07)		
6.	Interest	998.11	1,069.91	1,110.75	3,086.22	3,385.04	4,349.86		
7.	Profit/(Loss) after Interest but before Exceptional Items (5-6)	(2,062.74)	(2,398.33)	(1,042.52)	(6,618.08)	(4,466.94)	(6,646.93)		
8.	Exceptional Items (Net)/(Refer note no.9)	(2,521.78)	1,152.34	710.49	(1,369.44)	4,200.85	(2,446.08)		
9.	Profit/(Loss) from Ordinary Activities before tax (7+8)	(4,584.52)	(1,245.99)	(332.03)	(7,987.52)	(3,756.45)	(5.54)		
10.	Tax Expenses	-	-	-	-	-	-		
11.	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(4,584.52)	(1,245.99)	(332.03)	(7,987.52)	(3,756.45)	(2,451.62)		
12.	Extraordinary Items (net of tax expenses)	-	-	-	-	-	-		
13.	Net Profit/(Loss) for the period/ year	(4,584.52)	(1,245.99)	(332.03)	(7,987.52)	(3,756.45)	(2,451.62)		
14.	Share of Profit / (Loss) of Associate	7.21	10.69	(2.54)	8.87	(5.92)	0.23		
15.	Minority Interest	-	-	-	-	-	-		
16.	Total Net Profit / (Loss) (13+14)	(4,577.31)	(1,235.30)	(334.57)	(7,978.65)	(3,762.37)	(2,451.39)		
17.	Paid-up Equity Share Capital	2,504.67	2,504.67	1,860.54	2,504.67	1,860.54	2,504.67		
18.	Reserves excluding revaluation reserves	-	-	-	-	-	-		
19.	Earning Per Share (EPS) before and after Extraordinary Items (not annualised)	(3.66)	(0.99)	(0.36)	(6.37)	(4.04)	(2.63)		
	-Basic	(3.66)	(0.99)	(0.36)	(6.37)	(4.04)	(2.63)		
	-Diluted	-	-	-	-	-	-		
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	48.24%	48.24%	64.93%	48.24%	64.93%	48.24%		
2.	Promoters and promoter group shareholding								
	a) Pledged/Encumbered	64,525,957	32,319,457	32,319,457	64,525,957	32,319,457	32,319,457		
	-Number of Shares	100.00%	50.09%	100.00%	100.00%	100.00%	50.09%		
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	51.52%	25.80%	34.74%	51.52%	34.74%	25.80%		
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-		
	b) Non-encumbered	32,206,500	32,206,500	-	-	-	32,206,500		
	-Number of Shares	49.91%	49.91%	-	-	-	49.91%		
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	25.72%	25.72%	-	-	-	25.72%		
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-		
For Paramount Communications Ltd									
25.72%									



(Sandeep Agarwal)
Managing Director

PARTICULARS		3 months ended 31.12.2013
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
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 14th February, 2014.		
2. 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.		
3. 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. Consolidated financial results include unaudited financials of three subsidiaries namely Paramount Holdings Limited, Cyprus, AEI Cables Limited, United Kingdom and AEI power Cables Limited, United Kingdom for the quarter and nine months ended 31st December, 2013 and share of profit in Paramount Wires and Cables Limited (Associates) which have been incorporated as certified by the management of the respective companies.		
4. a. Subsequent to quarter and nine months ended 31st December, 2013, AEI Cables Limited, United Kingdom (AEI), has given notice of intention to appoint an administrator under the Insolvency Act 1986 of United Kingdom. In view of this development, management has made AEI's financial statements for the quarter and nine months ended 31st December, 2013 have been prepared on Liquidation Basis. Till 30th September, 2013, AEI's financial statements were prepared on Going Concern Basis.		
b. Under the Liquidation Basis, the assets of AEI have been valued at their estimated net realizable value ₹ 8434.57 Lacs (as against the book value of ₹8924.48 lacs), whereas the liabilities have been included at the amount owed ₹ 10377.49 Lacs since AEI legally continues to owe these amounts till the time the authorities in the United Kingdom pass order in the liquidation matter and crystallize the amounts payable by AEI. Accordingly a provision of ₹ 489.91 lacs has been made as diminution in value of assets (net) based on valuation done by a valuer on the basis of "Market value as a whole in its working place".		
c. Further, the amount of ₹ 2070.27 lacs arising from translation of financial statements of AEI as at 31st December, 2013 has also consequently been recognized as a loss for the quarter and nine months ended 31st December, 2013 as an Exceptional Item.		
5. 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).		
6. CDR-EG vide Letter of Approval (LOA) dated 11th July, 2012 has approved Corporate Debt Restructuring (CDR) Rework Package. In terms of the approved CDR Rework Package, balance funds of ₹ 2559 Lacs are yet to be infused into the company by way of equity share capital causing default in repayments to the secured lenders due during quarter and nine months ended 31st December, 2013.		
7. The Company has published consolidated financial results in accordance with clause 41 of the Listing Agreement. Unaudited standalone financial results of the Company are available on the Company's website www.paramountcables.com and on the website of BSE (www.bseindia.com) and/or NSE (www.nseindia.com)		
8. The standalone financial results of the company for the quarter and nine months ended 31st December, 2013 are as follow:		
Particulars		(₹ /Lacs)
	Quarter ended 30.09.2013	Nine months ended 31.12.2013
	31.12.2013 (Unaudited)	31.12.2012 (Unaudited)
Net Sales / Income from Operations	11,851.03 (903.91)	11,841.88 (1,128.26)
Profit/(Loss) after Interest but before Exceptional Items	8,007.58 (2,733.69)	29,528.85 (6,045.51)
Exceptional Items (Net)	(3,388.31)	710.49 (3,388.31)
Profit/(Loss) from Ordinary Activities before tax	(4,292.22)	(4,157.77)
Tax Expenses	-	-
Net Profit/(Loss)	(4,292.22)	(4,157.77)
Exceptional Items include:-	(2,733.69)	(3,009.47)
		5.54 (464.31)
Particulars		(₹ /Lacs)
	Quarter ended 30.09.2013	Nine months ended 31.12.2012
	31.12.2013 (Unaudited)	31.12.2012 (Unaudited)
a. On account of write back of secured loans from some banks upon One Time Settlement (OTS)	-	710.49 (Unaudited)
b. On account of profit on sale of Company's 25 Acres Industrial Property	-	2,082.01 (Audited)
		2,118.84



(Sandeep Chahal)
Managing Director

