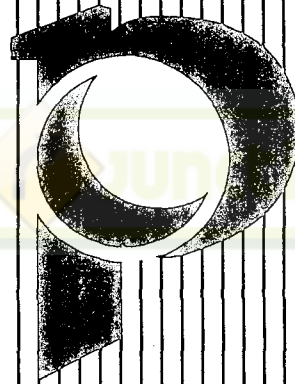


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AGM	<input checked="" type="checkbox"/>	SFI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

Annual Report 1997-98



Paramount Communications Limited

(ISO 9002 Certified)

For Dharuhera PIJF Cables Unit

Board of Directors	:	Shri Shyam Sunder Aggarwal Shri Sanjay Aggarwal Shri Sandeep Aggarwal Shri Satya Pal Shri S.P.S. Dangi	Chairman Managing Director Jt.Managing Director
Registered office	:	M-4, "Bahubali", 59/17, New Rohtak Road, New Delhi - 110 005.	
Works	:	Unit 1 (Paramount Cable Corporation) 45/14, Prahladpur, Bawana Road, Delhi - 110 042 Unit 2 (Jelly Filled Telephone Cable Project) Plot No. 37, Industrial Estate, Dharuhera, Haryana	
Auditors	:	M/s. Jagdish Chand & Co., Chartered Accountants. New Delhi	
Bankers	:	DENA BANK Karol Bagh, New Delhi-110 005	
Share Transfer Agent	:	M/s. In-house Shares Registry (A unit of A.O.K. In house Securities Pvt. Ltd.) 3, Community Centre, Naraina, Phase-I, Near Payal Cinema, New Delhi - 110 028. Phone No.: 579-2012(4 Lines) Fax No.: 579-2011.	
Sr. Manager (Finance) & Company Secretary	:	Shri Ratan Aggarwal	
General Manager (works)	:	Unit 1 Shri N.K. Sabharwal Unit 2 Shri D.S. Muchhal	

Paramount Communications Limited



NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Members of the Company will be held at Air Force Auditorium, Subroto Park, New Delhi-110 010 on Wednesday, the 16th September, 1998 at 9.00 A.M. to transact the following business:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shyam Sunder Aggarwal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Sanjay Aggarwal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

"RESOLVED THAT M/S JAGDISH CHAND & CO., Chartered Accountants, New Delhi be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

5. To declare the Dividend on Equity Shares.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that proxy need not be a member of the Company.
2. The proxy in order to be effective must be lodged at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members/proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
4. The register of members and share transfer book shall remain close from 11.09.1998 to 15.09.1998 (both days inclusive).
5. Subject to provisions of section 205 and 206 of the Companies Act, 1956, payment of dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, shall be made on or after, 16th September, 1998 to those members whose names appeared in the Company's register of member as on 16th September, 1998.
6. Member are requested to address all their correspondence including change of address, to the Share Transfer Agent In-house Share Registry (A unit of A.O.K. In-house Securities Pvt. Ltd.), 3 Community Centre, Naraina, Phase-I, Near Payal Cinema, New Delhi-110028.

By Order of the Board of Directors
For **Paramount Communications Limited**

Place: New Delhi
Date : 28.07.1998

(Ratan Aggarwal)
Company Secretary

Paramount Communications Limited



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fourth Annual Report and Audited Accounts of the Company for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

	For the year ended 31.03.1998 (Rs.in lacs)	For the year ended 31.03.1997 (Rs.in lacs)
Sales & Other Income	4709.24	2797.67
Profit before Interest, Depreciation & Tax	391.45	316.63
Interest (Net)	205.30	203.44
Depreciation	89.86	59.05
Profit before Tax	96.29	54.14
Provision for Taxation	—	—
Profit after Tax	96.29	54.14
Profit Available for Appropriation	181.71	162.61
<u>Appropriation:</u>		
Proposed Dividend (Equity)	65.63	65.63
Provision for taxation on proposed dividend	6.56	6.56
General Reserve	5.00	5.00
Surplus Carried to Balance Sheet	104.52	85.42

2. PERFORMANCE

The total turnover and net profit achieved by the Company for the year 1997-98 are Rs. 4707.33 lacs and Rs. 96.29 lacs as compared to Rs. 2794.21 lacs and Rs. 54.14 lacs for the previous year 1996-97 which shows a growth of 68.47 % and 77.85% respectively. The Dharuhera unit of your Company has shown good performance both in terms of turnover and profit.

The Dharuhera unit received first commercial (bulk) order from Department of Telecommunications, Govt. of India, on 6th September, 1997 and hence the annual turnover figures include just 7 months commercial working of the Dharuhera unit. With the expected full 12 months working of the Dharuhera unit also in the coming year viz. 1998-99, the turnover and profitability of your Company is expected to increase substantially.

With the addition of certain balancing equipments during the year at Dharuhera unit, your Company was able to enhance its assessed capacity as certified by Telecom Engineering Centre, Deptt. of Telecommunications, to 14.88 lacs conductor kms (LCKM) per annum from the earlier assessed capacity of 8.75 LCKM per annum. The additional capacity shall hopefully translate into higher orders and result in better performance.

3. ISO 9002 CERTIFICATION

Your Company has achieved ISO 9002 certification for its Dharuhera unit w.e.f. 17.03.1998. Your Company is also actively working on achieving ISO 9002 certification for the Delhi unit. The Company is thus well positioned to exploit its already strong reputation for high quality of its products.

4. DIVIDEND

Your Directors are pleased to recommend a dividend of 10 % on Equity Capital as on 31.03.1998. If approved, the Dividend will be Rs. 65.63 lacs and taxation on proposed dividend will be Rs. 6.56 lacs.

Paramount Communications Limited



5. DIRECTORS

The Board informs with deep regret the sad and untimely demise of Shri Bharat Bhushan, Director of the Company on 05.01.1998. Your Directors convey their heart-felt and deepest condolences to the family of Shri Bharat Bhushan. The Board acknowledges its gratitude for the valuable services rendered by him to the company and to the society at large.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Shyam Sunder Aggarwal and Shri Sanjay Aggarwal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

6. AUDITORS

You are requested to appoint the auditors for the current year and fix their remuneration M/S Jagdish Chand & Co., Chartered Accountants, New Delhi, the retiring Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for 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(1B) of the Companies Act, 1956.

7. AUDIT REPORT

The observations of the Auditors in the audit report have been explained in the Notes to Accounts, which are self explanatory.

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

The information as regards conservation of energy, technology absorption and outgo required under section 217(1), (2) of the Companies Act, 1956 read with the Companies (Disclosure of Directors) Rules, 1988 is annexed hereto and forms an integral part of the report.

9. PARTICULARS OF EMPLOYEES

A statement showing particulars of employees required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is annexed hereto and forms an integral part of the Report.

10. INSURANCE

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

11. ACKNOWLEDGMENT

Your Directors wish to place on record their gratitude and thank to Dena Bank, Govt. of Haryana, Govt. of National capital of Delhi and the Govt. of India for their continued co-operation to the Company. Your Directors also wish to thank the Department of Telecommunications, Mahanagar Telephone Nigam Limited, National Thermal Power Corporation Ltd., Indian Railways, Indian Oil Corporation Ltd. and all the other valued customers for their confidence in the products of the company and for their valuable support.

Your Directors also take this opportunity to place on record their sincere appreciation for the services rendered by the employees of the Company, who are primarily responsible for its continued growth.

For and on behalf of the Board,

Date : New Delhi
Place: 28.07.1998

(Shyam Sunder Aggarwal)
Chairman

Paramount Communications Limited



ANNEXURE I TO THE DIRECTOR'S REPORT

Particulars with respect to conservation of energy etc. as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year ended 31st March, 1998.

1. CONSERVATION OF ENERGY:

All necessary care has been taken to minimise energy costs. Required capacitors and other control equipment are duly installed to achieve the optimum power factor. No major new investment is envisaged in Delhi unit for the purpose. For JFTC unit at Dharuhera, all the required equipments i.e. Electrical control panels, Capacitors, Electric CT/PT unit etc. have been installed to ensure the optimum power factor. However, the energy cost is quite insignificant in comparison to the total cost of production and hence the energy conservation measures shall not have any major impact on costs.

2. TECHNOLOGY ABSORPTION:

A. RESEARCH & DEVELOPMENT:

- i) It has been continuous endeavour of your Company to develop new designs for cables, keeping in view the customer's requirements as also to upgrade the products on regular basis.
- ii) Your Company has achieved ISO 9002 certification for its Dharuhera unit w.e.f. 17.03.98.
- iii) The Company has been continuously upgrading and adding to its R&D equipment from time to time in tune with the latest trends in cable technology.

B. TECHNOLOGY ABSORPTION:

Your 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 field in the International Market.

3. FOREIGN EXCHANGE EARNINGS:

- A) Although there is very little scope for export of cables due to much higher cost of raw materials and finance in India, as also due to the low element of labour in the total manufacturing cost, the Company has been successful in the export of cables to a limited extent. With the sound reputation that is gradually being built in the international markets, the Company hopes for better export performance in the coming years.

B) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings:

—Export on FOB Prices: Rs. 28,99,678/-

—Deemed Export (In US\$): Rs. 45,48,219/-

—Deemed Export (In Rupees): Rs. 1,52,67,380/-

Outgo:

—For Raw materials: Rs. 1,61,62,412/-

For and on behalf of the Board,

Date : New Delhi
Place: 28.07.1998

(Shyam Sunder Aggarwal)
Chairman

Paramount Communications Limited



ANNEXURE II TO THE DIRECTOR'S REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Directors' Report for the year ended 31.03.1998

Name of Employee	Age	Designation and nature of duties	Remuneration (Rs.)	Qualification & Experience	Date of commencement of employment	Particulars of last employment held
1. Shri Shyam Sunder Aggarwal	62	Chairman	612000	M.A. & B.Com.(Hons) (43 Years)	01.11.1994	Partner in Paramount Cable Corp.
2. Shri Sanjay Aggarwal	36	Managing Director	510000	B.Com. (Hons) (15 Years)	01.11.1994	Partner in Paramount Cable Corp.
3. Shri Sandeep Aggarwal	34	Joint Managing Director	510000	B.A. (Hons) (14 Years)	01.11.1994	Partner in Paramount Cable Corp.

NOTES:

1. Remuneration has been calculated on the basis of Section 198 of the Companies Act, 1956, and including expenditure incurred by the Company on salary and for provision of benefits to the above employees.
2. All appointments are contractual for five years. Other terms and condition are as per Company's Rules
3. Remuneration received includes salary, Company's contribution to Provident Fund and Allowances.

For and on behalf of the Board,

Date : New Delhi
Place: 28.07.1998

(Shyam Sunder Aggarwal)
Chairman

Paramount Communications Limited



AUDITORS' REPORT

To the members of
PARAMOUNT COMMUNICATIONS LIMITED

We have audited the attached balance sheet of **PARAMOUNT COMMUNICATIONS LIMITED** as at March 31, 1998 and also the profit & loss account of the Company for the year ended on that date, annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 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 accounts as required by Law have been kept by the Company so far as appears from our examination of the books;
 - c) The balance sheet and profit & loss account dealt with by this report are in agreement with the books of accounts;
 - d) No provision has been made in accounts for gratuity liability Refer Accounting Policy No.(h) (i) of schedule U. (Amount unascertained).

Subject to the foregoing in our opinion and to the best of our information and according to the explanations given to us, the accounts read with Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- i) in the case of the balance sheet of the state of affairs of the Company as at March 31, 1998;
- ii) in the case of the profit & loss account of the profit of the Company for the year ended on that date.

for **Jagdish Chand & Co.**
Chartered Accountants

Place: New Delhi
Date : 28.07.1998

(PRAVEEN KUMAR JAIN)
Partner