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Paramount Communications Limited

An ISO 9002 Company

MARCH - 99

For Paramount

A handwritten signature in black ink, likely belonging to a senior executive of Paramount Communications.

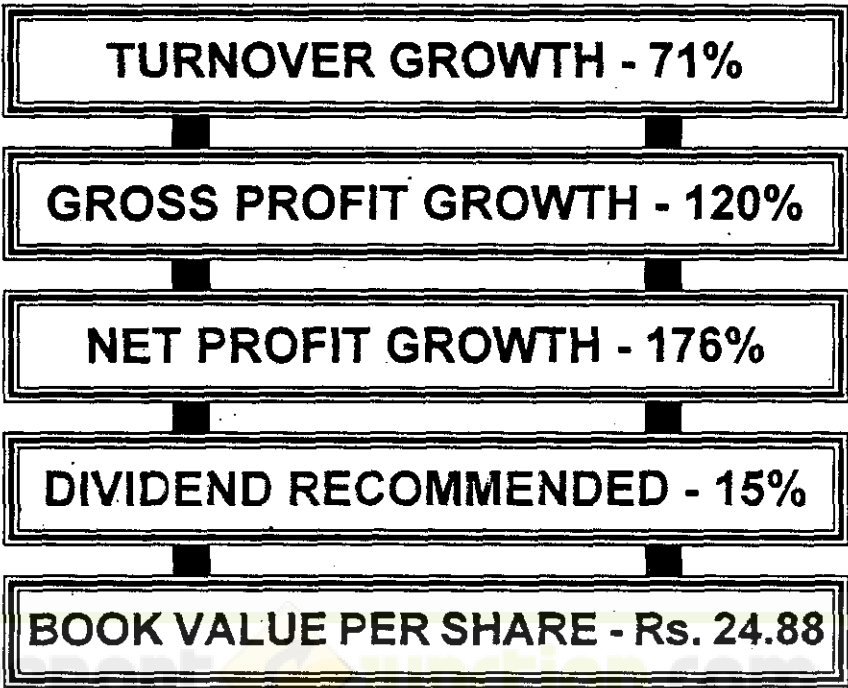
REGISTRAR
OF COMPANIES

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CONTENTS	Page No.
Directors' Report.....	1-4
Auditors' Report.....	5-7
Balance Sheet.....	8
Profit & Loss Account.....	9
Schedules.....	10-16
Notes to Accounts.....	17
Cash Flow Statement.....	21

Board of Directors	Shri. Shyam Sunder Aggarwal ✓ Shri. Sanjay Aggarwal ✓ Shri. Sandeep Aggarwal Shri. Satya Pal Shri. S.P.S. Dangi Shri. Pawan Bholusaria	Chairman Managing Director Jt. Managing Director
Sr.Manager (Finance) & Company Secretary	Shri. Ratan Aggarwal	
Vice - President (Dharuhera Unit)	Shri. D.S. Muchhal	
General Manager (Delhi Unit)	Shri. N.K. Sabharwal	
Registered office	M - 4 , " Bahubali " , 59 / 17 , New Rohtak Road , New Delhi - 110 005.	
Works	Unit 1	M/s. Paramount Cable Corporation 45 / 14 , Prahaladpur , 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	
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.	
Shares Listed at	The Delhi Stock Exchange Association Limited The Stock Exchange - Mumbai The Calcutta Stock Exchange Association Limited The Jaipur Stock Exchange Limited The Stock Exchange - Ahmedabad (Annual listing fee upto year 2000 paid)	

Paramount Communications Limited



Paramount Communications Limited.**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the **Fifth Annual Report** and Audited Accounts of the Company for the year ended **31st March, 1999**.

1. FINANCIAL RESULTS

	For the year ended 31.03.1999 (Rs.in lacs)	For the year ended 31.03.1998 (Rs.in lacs)
Sales & Other Income	8061.26	4709.24
Profit before Interest, Depreciation & Tax	647.98	391.45
Interest (Net)	239.50	205.30
Depreciation	129.83	89.86
Profit before Tax	278.65	96.29
Provision for Taxation	12.00	—
Profit after Tax	266.65	96.29
Profit Available for Appropriations	369.30	181.71

Appropriations:

Proposed Dividend (Equity)	98.44	65.63
Provision for taxation on proposed dividend	10.83	6.56
General Reserve	30.00	5.00
Surplus Carried to Balance Sheet	230.03	104.52

2. PERFORMANCE

The total Turnover and Net Profit achieved by the Company for the year 1998-99 are Rs. 8054.59 lacs and Rs. 266.65 lacs as compared to Rs. 4707.33 lacs and Rs. 96.29 lacs for the previous year 1997-98 which shows a growth of **71.11 %** and **176.92 %** respectively. The Dharuhera unit of your Company has shown good performance both in terms of turnover and profit.

With the addition of a complete line of plant & machinery 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 24.43 Lacs conductors km (LCKM) per annum from the earlier assessed capacity of 14.88 LCKM per annum. The additional capacity should translate into higher production and result in better performance.

3. ISO 9002 CERTIFICATION

Your Company has also achieved ISO 9002 certification for its Delhi unit w.e.f. 11.1.99. Your Company had already achieved ISO 9002 certification for its Dharuhera unit in the previous year.

4. DIVIDEND

Your Directors are pleased to recommend a dividend of **15 %** on Equity Capital for the year 1998-99. If approved, the Dividend Payout will be Rs. 98.44 lacs and taxation on proposed dividend will be Rs.10.83 lacs.

Paramount Communications Limited



5. DIRECTORS

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

Shri Pawan Bholusaria was appointed as an Additional Director of the Company in the Meeting of the Board of Directors of the Company held on 30.06.1999. He will hold office upto the date of the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment as Director on the Board. He is a Fellow Member of the Institute of Chartered Accountant of India.

6. AUDITORS

You are requested to appoint the Auditors for the current year and fix their remuneration. **M/S Jagdish Chand and Co.**, Chartered Accountants, New Delhi, the retiring Auditors of the Company retire 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. 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.

8. 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.

9. INSURANCE

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

10. Y2K COMPLIANCE

All the hardware and software available in the Company have been tested and confirmed to be Y2K compliant.

11. ACKNOWLEDGMENT

Your Directors wish to place on record their gratitude and thanks 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 : 30.06.1999

Place : New Delhi

(**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, 1999.

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 also achieved ISO 9002 certification for its Delhi unit on 11.01.99.
- 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 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:

Information of foreign exchange earning and outgo are contained in Schedule V [12 (F), 12(G) & 12(H)]

For and on behalf of the Board

Date : 30.06.1999
Place : New Delhi

(Shyam Sunder Aggarwal)
Chairman