

strategies that deliver

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Corporate Information

यद्यदाचरति श्रेष्ठस्तत्तरेवेतामे जनः ।

स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥



LATE SHRI SHYAM SUNDER JI AGGARWAL
Founder - Paramount Communications Limited

What a great man does,
is followed by others.
People go by the example he sets.

- Bhagwad Gita 3:21

Profile

RANKING

Paramount Communications Limited (hereafter referred to as Paramount) ranks amongst the largest cable manufacturers in India.

STRATEGIC BUSINESS UNITS

Paramount's business is organized into three strategic business units namely - power cables, railway cables and telecom cables. The company manufactures a comprehensive range of cables and wires including power cables, control & instrumentation cables, specialized cables (such as aerial bunch cables), railway signalling cables and axle counter cables, Jelly Filled Telephone Cables (JFTC), Optical Fibre Cables (OFC), etc. Paramount's products are exported to over 20 countries across the globe. To further boost its presence in the overseas markets, the company has established a wholly-owned subsidiary Paramount Gulf FZE in UAE.

MANUFACTURING

The company has two ISO-9001 and ISO-14001 certified manufacturing units in the states of Haryana and Rajasthan, India with a combined capacity of 25,000 kms of power cables (including all electric cables - LT power cables, control cables, instrumentation cables, thermocouple cables, railway signalling cables), 5.3 mn ckms of JFTC and 20,000 kms of OFC. Paramount is in the process of expanding its product range by installing fresh capacities for manufacturing High Tension (HT) power cables.

QUALITY

The company's cables conform to the most demanding national and international specifications including:

Indian Specifications

Bureau of Indian Standards (BIS), Indian Railway Specifications (IRS), Indian Telecom Department (ITD), Telecom Engineering Centre (TEC) and Engineers India Limited (EIL) specifications etc.

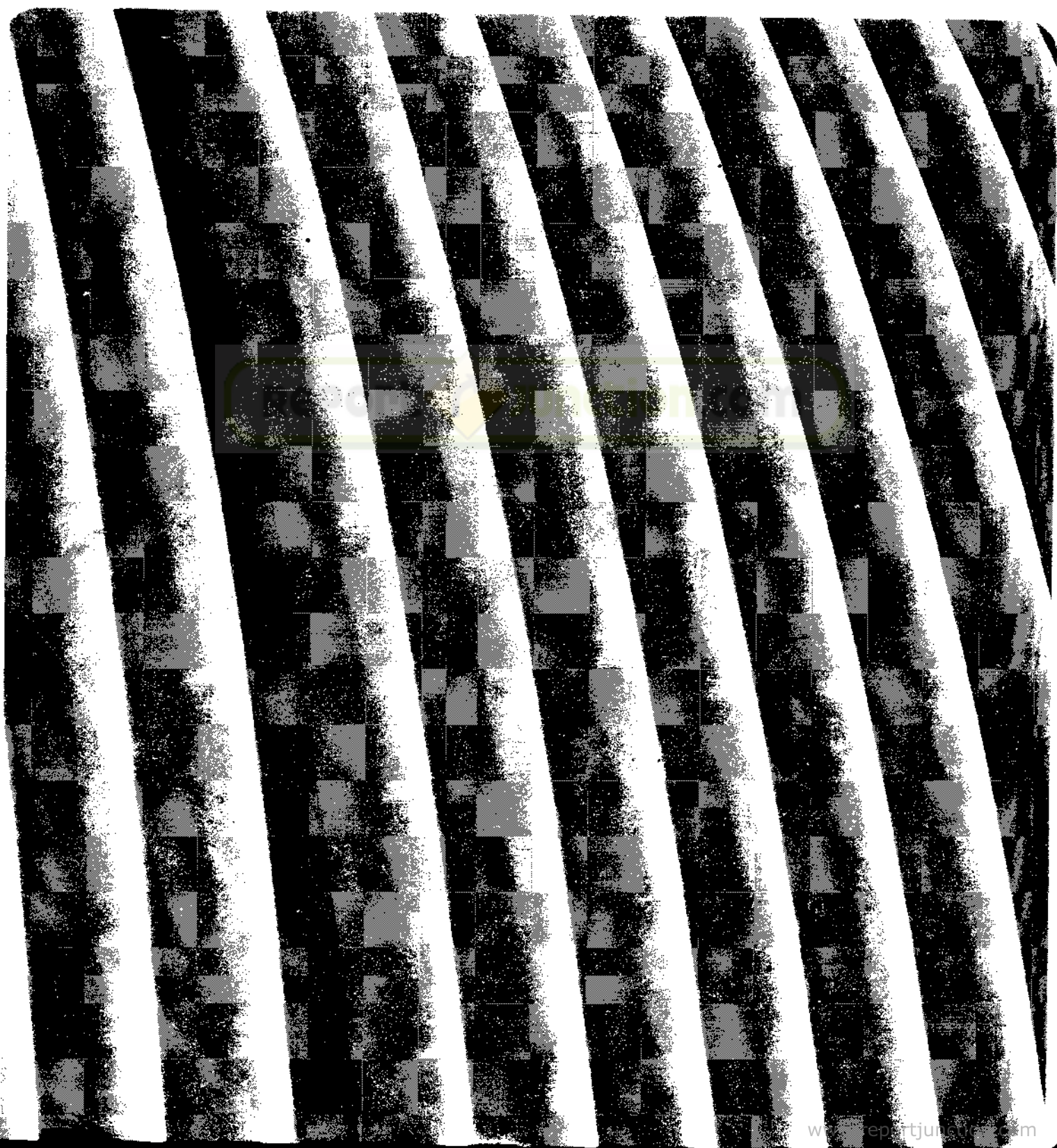
International Specifications

British Standard Specifications (BS), American Standard for Testing Methods (ASTM), International Electrotechnical Committee Specifications (IEC) and Vereinigte Deutsche Elektrotechniker (VDE) etc.

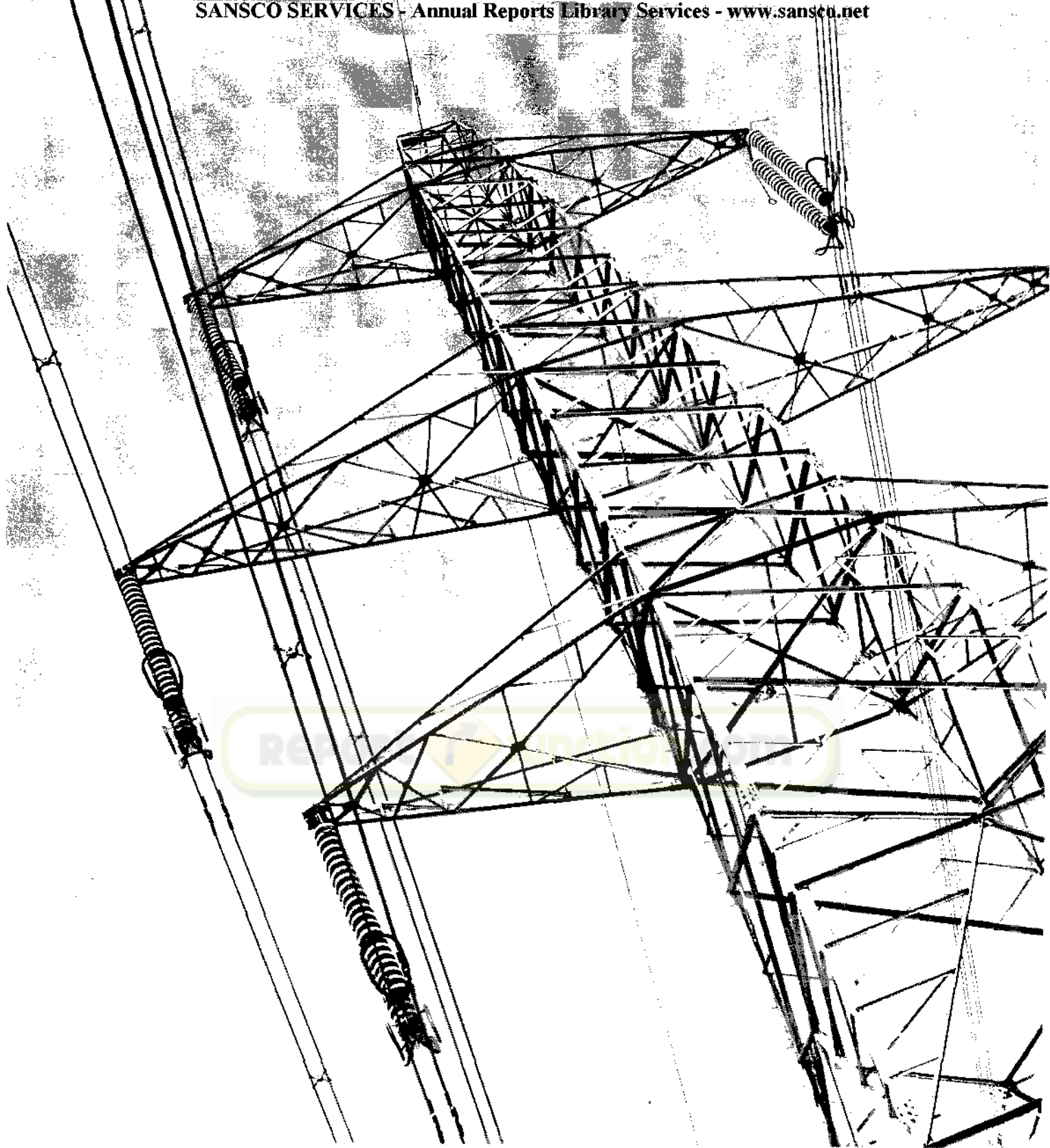
Paramount is also licensed by the Bureau of Indian Standards (BIS) to mark its products with IS7098 Part 1 (for XLPE Power Cables), IS14255 (for Aerial Bunch Cables), IS694 (for unarmored PVC Cables) and IS1554 Part 1 (for armored PVC Cables up to 1.1 KV).

LISTING

The shares of the company are listed on the Bombay and Delhi Stock Exchanges. The Global Depository Receipts of the company are listed on the Luxembourg Stock Exchange with effect from 3 May 2006.



Year Under Review 2005-06

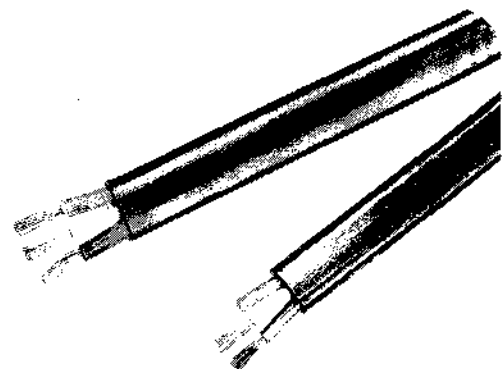


For Paramount Communications Limited, 2005-06 has been a watershed year in its history:

A year marked by significant accomplishments and defining moments.

A year, where we built on the momentum established in 2004-05.

And a year made possible by continuously embarking upon strategies that promised to deliver, that powered our success and helped us fortify our position as one of the leading cable manufacturers in the country.



Strategies that deliver results

Rs 1958.5 mn

+ 97%

Net sales

+ 19%

PBDIT margins

Rs 380.8 mn

+ 616%

PBDIT

+ 11%

PAT margins

Rs 214.6 mn

+ 1562%

PAT

+ Rs 18.55

to Rs 19.74

EPS

Strategies that deliver unparalleled

Quick glimpse at the strategies
that helped us...

Manufacture a comprehensive range of cables and wires serving virtually all sectors of the Indian economy with a strong presence in three of the five core infrastructure sectors.

Extend our presence to pockets where demand is increasing rapidly, vindicated by the record number of new customers acquired across the country during the year.

Report  Junction.com

Accelerate the pace of investment in our gross block and widen product basket to include HT cables in order to complete our breadth of product offerings and simultaneously meet the diverse and increasing demands of the cable industry growing at over 20-25 per cent per annum.

Strengthen relationships with existing clients to consolidate our position in both the domestic and overseas market and concurrently leverage business strengths to increase the quantum of repeat orders.

Sharpen our operational prudence, remain distinctively price competitive and enhance margins even in a scenario where the industry reeled under spiralling raw material costs.

Prioritize and imbibe a focus and direction to expand our share in the high margin Optical Fibre Cables business.

performance

Map lucrative opportunities in the Railways segment much ahead of others, which has helped fortify our base to foray into turnkey projects.

Report Junction

Serve major sectors of the economy from power to railways to telecom to various infrastructure & industrial sectors to space research and nuclear projects, resulting in a sound and de-risked business model.



Invest in a versatile multi-product manufacturing base enabling us to ride sectoral upswings, and insulate ourselves from business cyclicalities, by producing different types of cables in the volumes required, as per prevailing demand and realizations obtained.

Emerge as trusted partners:

In the country's progress and rural electrification plans - Paramount is the largest manufacturer of Aerial Bunch Cables (ABC) - used mainly in rural electrification in India.

In the critical signalling and safety plans of the Indian Railways - Paramount is the largest supplier of axle counter cables and signalling cables to the Indian railways.

3. In the economic and industrial progress of the country - Paramount has consistently emerged as a preferred vendor to several industry leaders on an expansion drive across a wide spectrum of sectors.

4. In the country's scientific and technology progress by supplying highly specialized cables to Indian Space Research Organisation - ISRO for its GSLV and PSLV projects - Paramount is the largest supplier of specialized cables to ISRO.

And lastly, deliver exceptional value to all stakeholders.



Mr. Sanjay Aggarwal,
Chairman and CEO,

REVIEWS THE COMPANY'S PERFORMANCE IN 2005-06.

DEAR STAKEHOLDERS,

India's anticipated emergence as a global economic superpower is now widely acknowledged. Consumer confidence has soared on the assumption that the economy and its industries will continue to successfully capitalize on their intrinsic strengths, expand and reap quantum benefits in the coming years.

At the macro level, the government, keen on fostering further economic growth has accelerated the reforms process to modernize its archaic power grids and infrastructure transport facilities, including expanding the railways networks. These emerging opportunities combined with the various industrial expansion plans announced across Corporate India unleash unprecedented demand for the cable industry, as any expansion project (whether macro or micro) translates into a demand for power facilities, which in turn generates demand for a variety of cables.

Thus, with the economy on the upswing it has been a busy year across the cable industry, with the cables manufactured by our company witnessing heavy demand across all the key sectors we are present in: power, telecom, railways and various industrial, construction, engineering and manufacturing industries.

PERFORMANCE 2005-06

Living up very closely to our promises made in the last financial year, it gives me great pleasure to state that during the financial year 2005-06, your company achieved record sales and cash flows, expanded its manufacturing capacities, better utilized existing facilities, set up new regional marketing offices, leveraged image-enhancing approvals to acquire new large-sized customers, recorded superior realizations, improved operational efficiencies and continued to improve its market share.

In short, Paramount has had an excellent year.