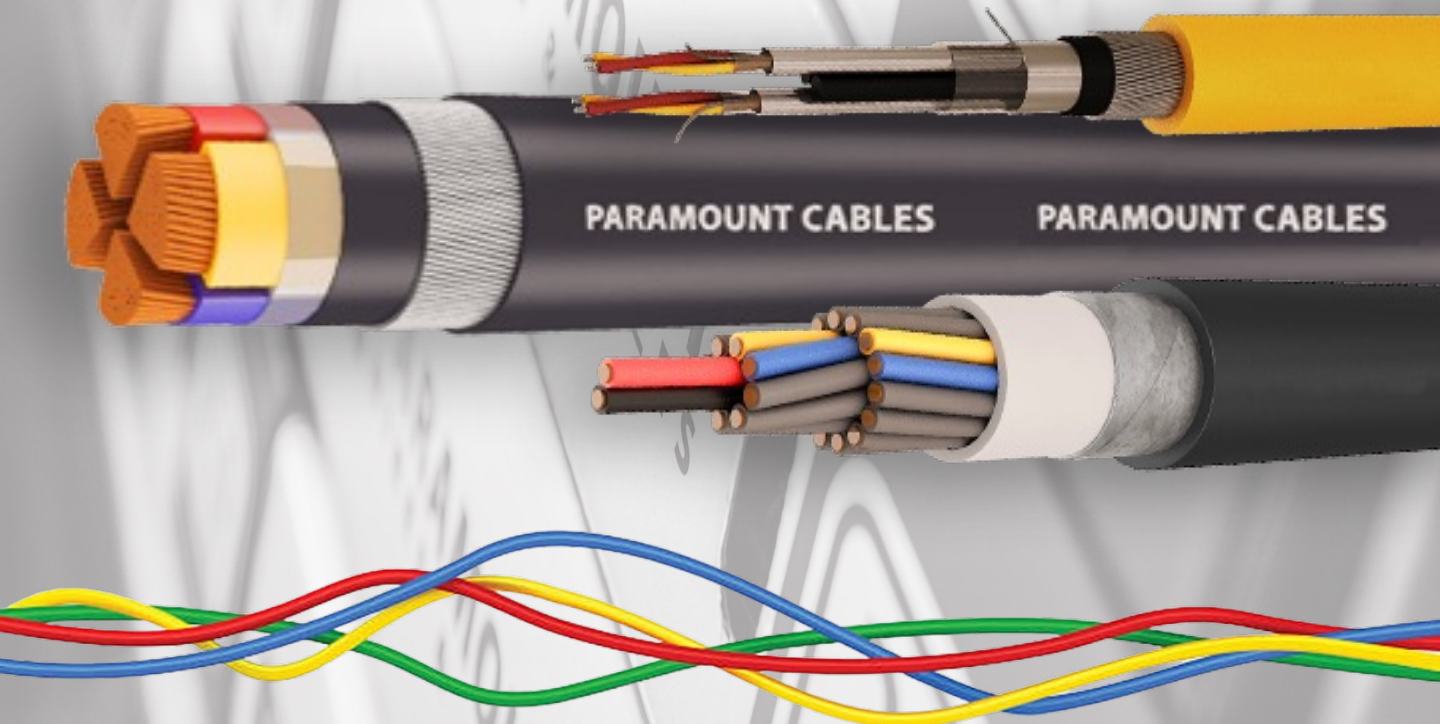


EARNINGS RELEASE & SHAREHOLDERS' LETTER

Q2 & H1 FY24 | NOVEMBER 7th, 2023



About Paramount Communications Limited:

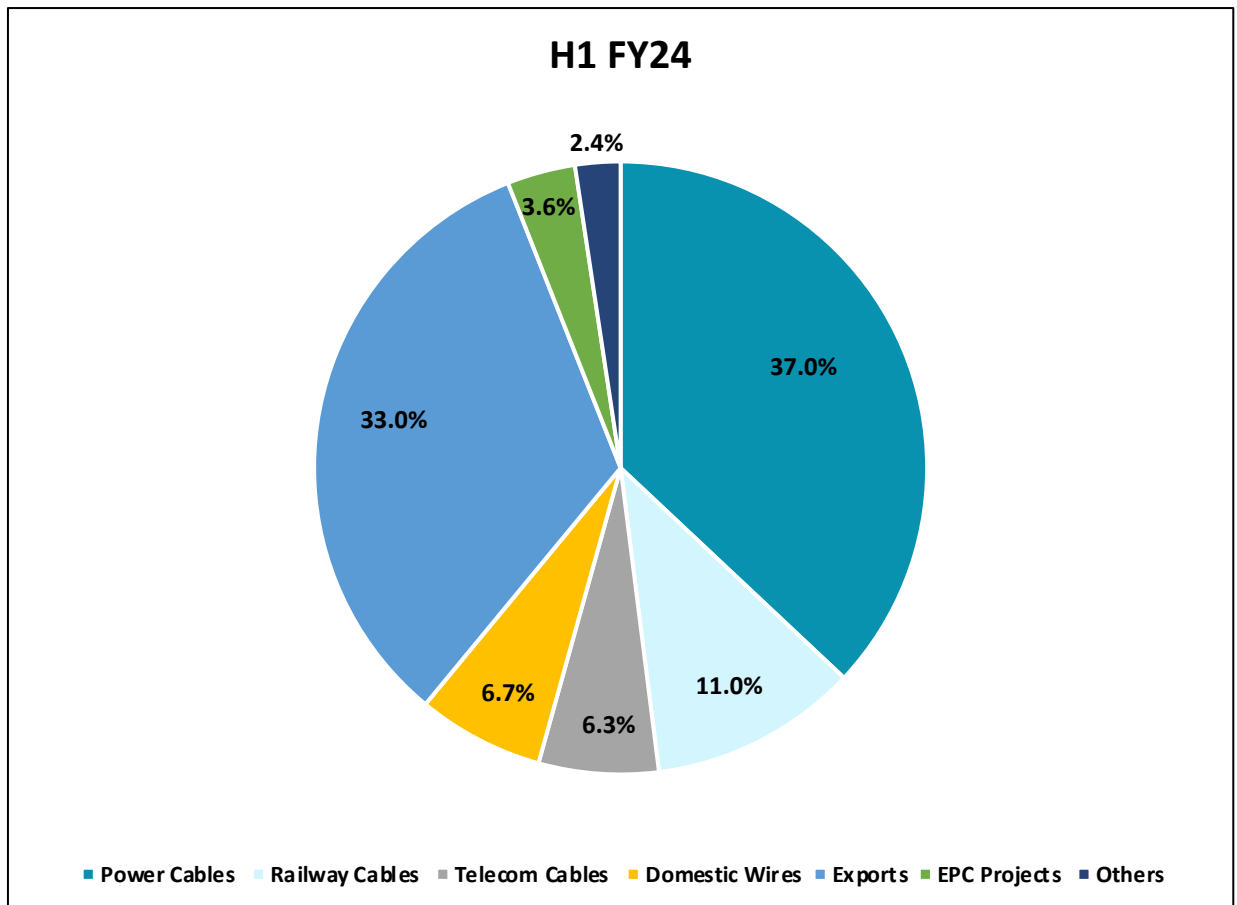
- Incorporated in the year 1955, Paramount Communications Limited (“Paramount” or “The Company”) is a prominent player in India’s wire and cable industry, renowned for manufacturing high-quality products and solutions tailored to diverse infrastructure segments.
- Operates through 2 state-of-the-art manufacturing facilities situated in Khushkhera, Rajasthan and Dharuhera, Haryana. These facilities hold certifications from various Indian and global agencies for their adherence to rigorous quality standards.
- Boasts of an expansive product portfolio that comprises over 25 distinct products and an impressive array of over 2,500 SKUs. This comprehensive selection comprises of top-tier products and tailored solutions designed to serve a wide spectrum of markets within the B2B and B2C segments encompassing Power, Railways, Telecom, domestic wires & cables, including specialized offerings like fire survival cables. Furthermore, Paramount also specializes in turnkey services, offering expertise in the repair and installation of undersea cables.
- Extensive pre-qualifications credentials and competencies has been instrumental in establishing its nationwide and international presence, notably in USA. Over the years, The Company has successfully served 500+ institutional clients, expanded its reach through a network of 100+ channel partners, and formed active partnerships with 5,000+ electricians in India.
- R&D team comprises of highly skilled and qualified individuals making Paramount an industry trailblazer in India to lay and repair undersea cables, introduce non-toxic lead free house wires, offer an impressive 20 years warranty, and supply Axle Counter cables to Railways in 1986.
- Holds most of the prestigious Indian and International accreditations and approvals including BIS, NTPC, PGCIL, EIL, RDSO, TEC, UL-USA, LPCB-UK, and also ISO 9001, ISO 14001, and ISO 45001.
- Paramount has an outstanding order book of **Rs. 3,610 Mn** as at 30 September 2023

Particulars	Value (Rs. Mn)
Power	₹ 2,060
Railways	₹ 860
Telecom -OFC & PIJF	₹ 100
House Wire	₹ 80
Export sales	₹ 390
EPC projects	₹ 70
Others	₹ 50
TOTAL orders as at 30th September 2023	₹ 3,610

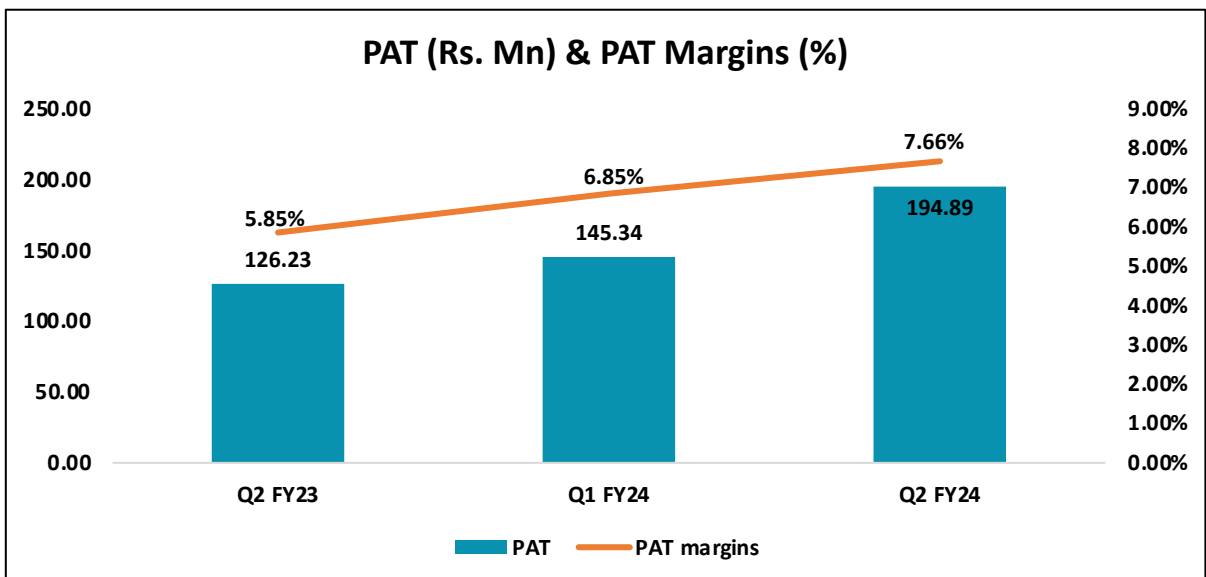
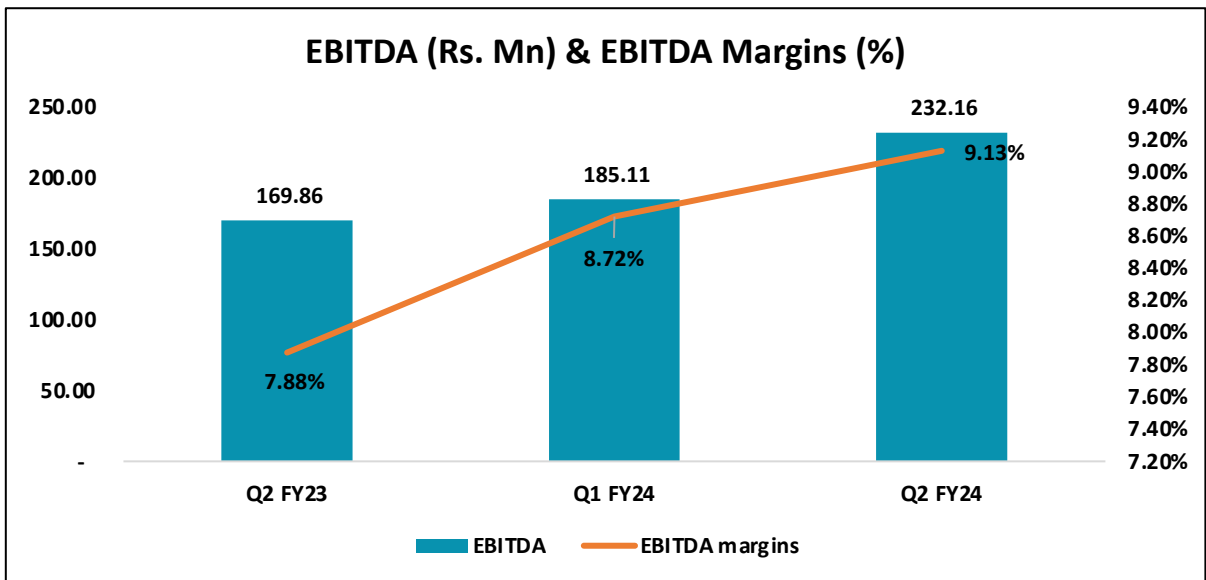
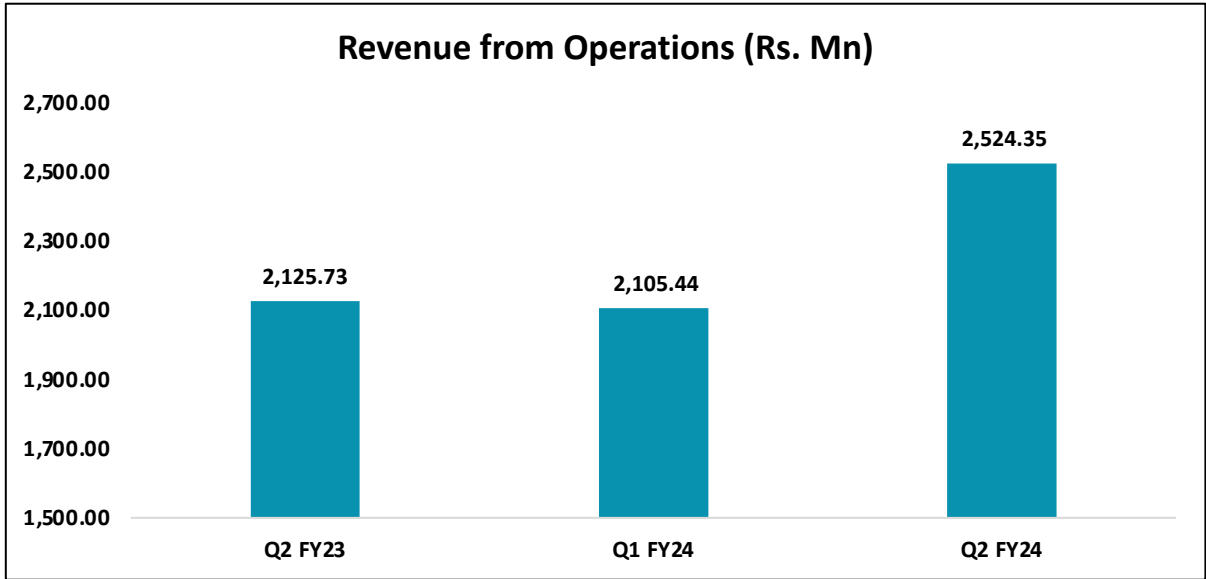
Key Developments in H1 FY24:

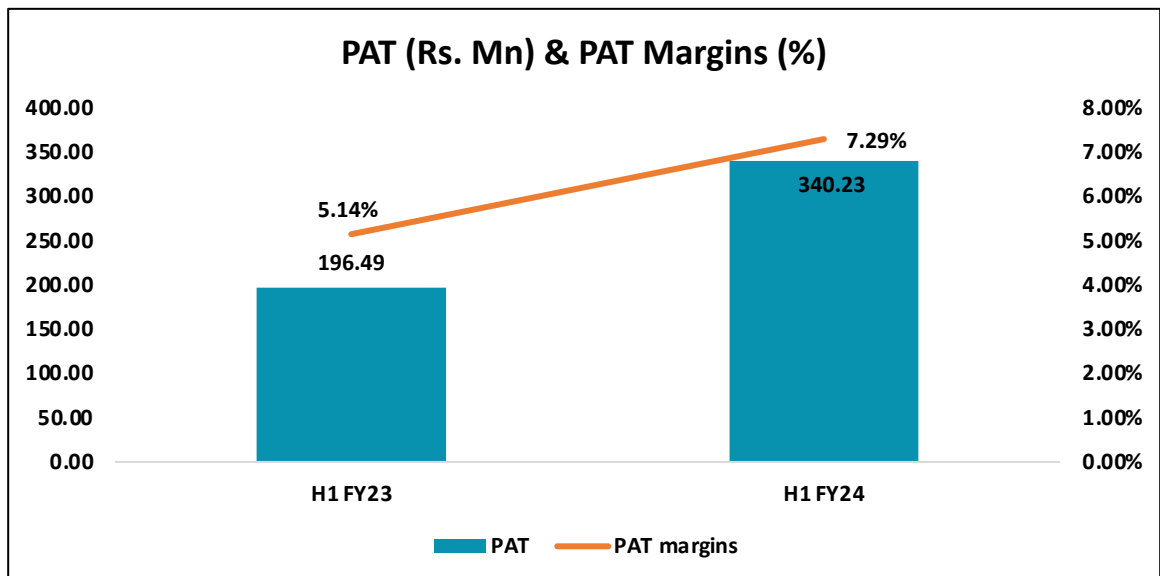
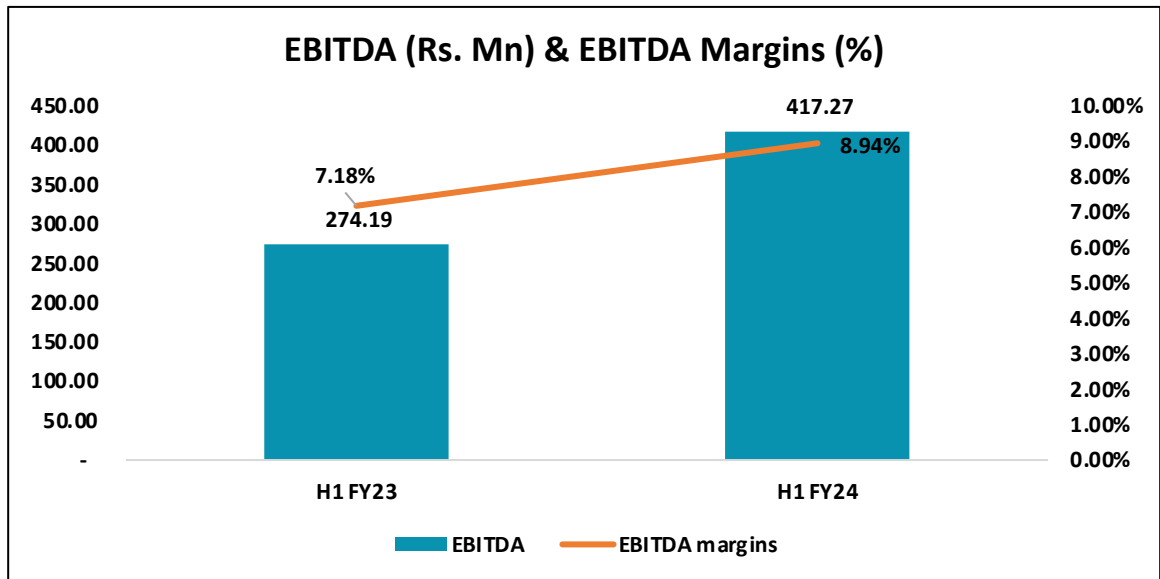
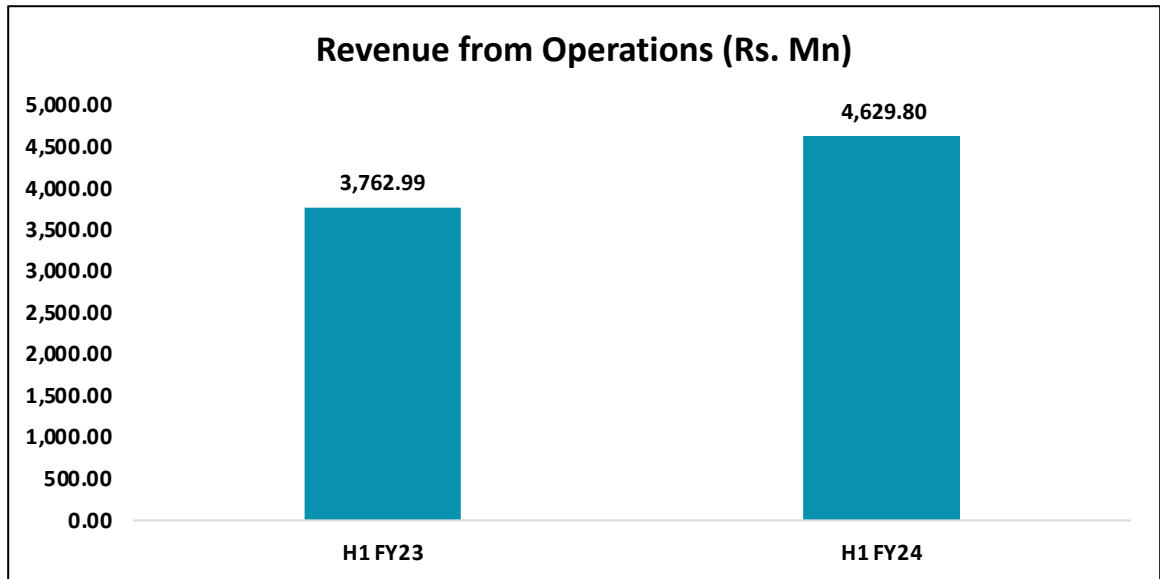
- Paramount has successfully initiated the production of 66 kV Power Cables, which serve as essential components for long-distance power transmission. These cables find applications in a wide range of sectors, including renewable energy projects, industrial power distribution, and high-voltage electrical infrastructure, contributing to their growing demand in the market.
- Paramount has successfully completed the acquisition of Valens Technologies Private Limited, a company affiliated with the promoter's group, for a total transaction value of Rs. 19.79 Mn. Valens Technologies is known for its expertise in producing high-density polyethylene (HDPE) pipes, primarily utilized for the underground installation of cables, particularly in Telecom Projects. This strategic acquisition positions Paramount to tap into more lucrative opportunities in EPC services. Notably, Valens Technologies achieved a turnover of Rs. 280.76 Mn in FY23 and has already exceeded Rs. 280 Mn in revenue for FY24.

Revenue Mix H1 FY24:

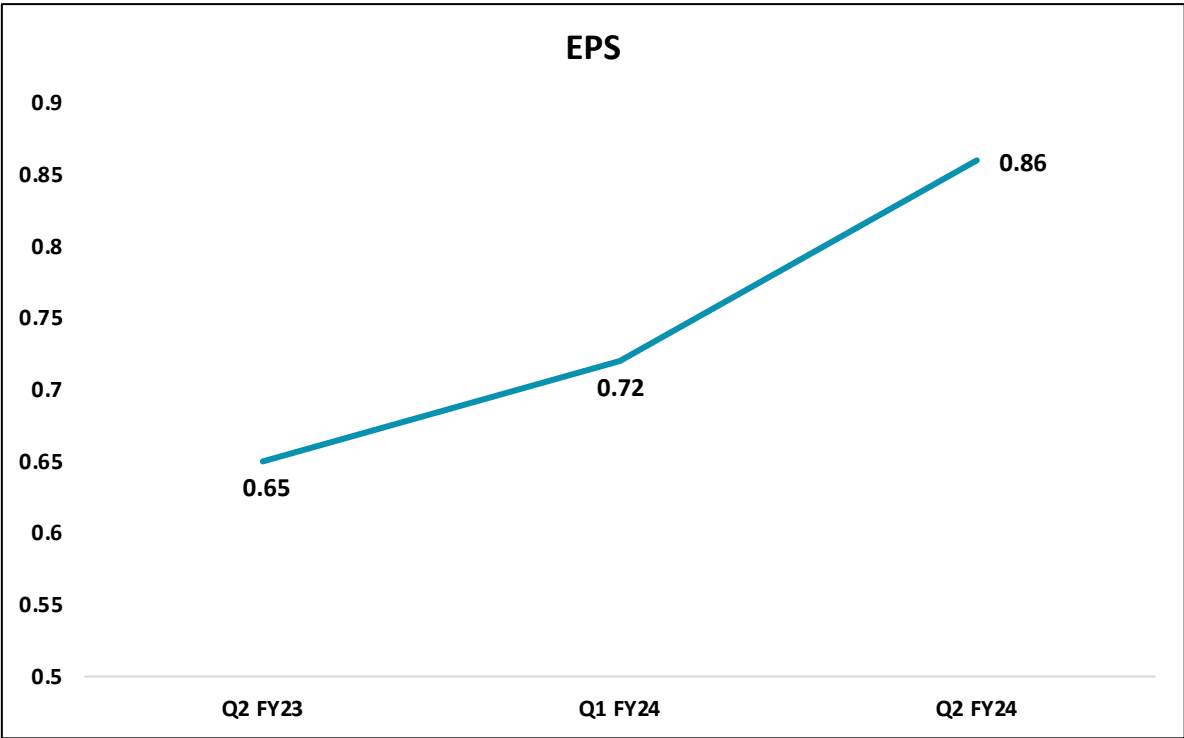
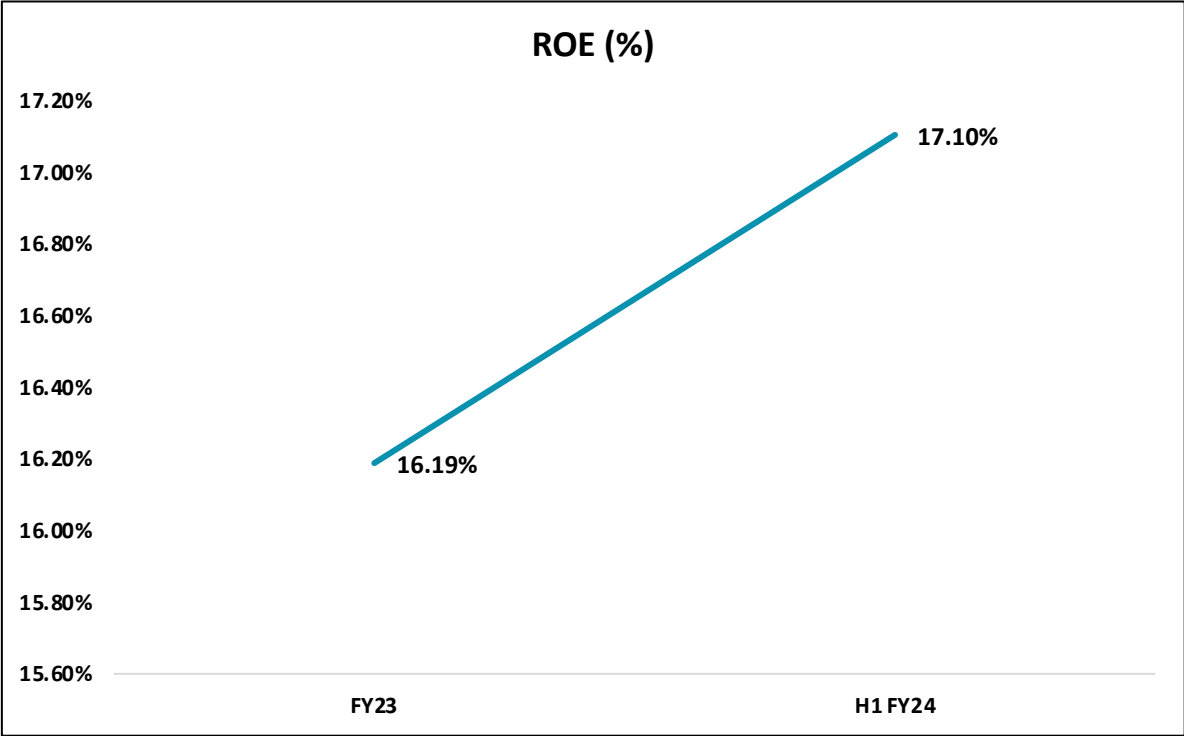


Key Consolidated Financial Performance Snapshot:





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Consolidated Financial Statement Highlights:

Consolidated income statement

Particulars (Rs.Mn)	Q2 FY24	Q2 FY23	YoY (%)	Q1 FY24	H1 FY24	H1 FY23	YoY (%)
Revenue from operations	2,524.35	2,125.73	18.75%	2,105.44	4,629.80	3,762.99	23.03%
Other income	18.89	31.08		17.27	36.16	57.49	
Total revenue	2,543.24	2,156.80		2,122.71	4,665.96	3,820.48	
Total expenses excluding depreciation, amortization, & finance cost	2,311.08	1,986.94	16.31%	1,937.61	4,248.69	3,546.29	19.81%
EBITDA*	232.16	169.86	36.68%	185.11	417.27	274.19	52.18%
EBITDA Margin %	9.13%	7.88%	125 bps	8.72%	8.94%	7.18%	176 bps
Depreciation & Amortization	22.24	20.35		18.02	43.98	31.42	
Finance Cost	14.92	23.29		21.75	32.94	46.29	
PBT	195.01	126.23		145.34	340.35	196.49	
Tax Expense	0.12	0.00		0.00	0.12	0.00	
PAT	194.89	126.23	54.40%	145.34	340.23	196.49	73.16%
PAT Margin %	7.66%	5.85%	181 bps	6.85%	7.29%	5.14%	215 bps
Other Comprehensive Profit/Loss	0.89	1.46		0.89	1.77	2.93	
Net PAT	195.78	127.69		146.23	342.01	199.42	
Diluted EPS	0.86	0.65		0.72	1.58	1.01	

*EBITDA is calculated including Other Income.

Consolidated Balance Sheet:

Particulars (Rs. Mn.)	30.09.23	31.03.23	Particulars (Rs. Mn.)	30.09.23	31.03.23
Assets			Equity & Liabilities		
Non-Current Assets			Shareholder's Funds		
Property, Plant & Equipment	1,261.00	976.39	Equity Share Capital	477.37	388.37
Capital Work-in-Progress	10.60	0.00	Other Equity	3,501.06	2,562.45
Right of Use Assets	286.36	289.09			
Intangible Assets	9.78	10.87	Total Shareholder's Funds	3,978.43	2,950.82
Financial Assets					
- Loans	0.60	0.33	Non-Current Liabilities		
- Other Financial Assets	158.30	97.72	Financial Liabilities		
Other Non-Current Assets	40.23	10.24	- Long-Term Borrowings	491.27	1,123.20
			- Lease Liabilities	22.15	22.59
Total Non-Current Assets	1,766.87	1,384.64	Provisions	5.70	5.98
			Deferred Tax Liabilities	0.97	0.00
Current Assets			Total Non-Current Liabilities	520.09	1,151.76
Inventories	2,125.47	1,130.96	Current Liabilities		
Investments	0.00	100.20	Short-term Borrowings		
Trade Receivables	1,990.22	1,687.69		998.44	455.76
Cash & Cash Equivalents	166.73	179.74	Lease Liabilities	0.85	0.81
Bank Balance other than Cash	195.90	122.02	Trade Payables	1,232.12	398.15
Loans	7.44	4.32	Other Financial Liabilities	88.53	43.58
Other Financial Assets	33.48	29.29	Other Current Liabilities	32.20	37.38
Current Tax Assets (Net)	24.64	18.47	Provisions	3.39	0.84
Other Current Assets	543.31	381.77			
			Total Current Liabilities	2,355.53	936.52
Total Current Assets	5,087.18	3,654.46	Total Equity & Liabilities	6,854.05	5,039.10
Total Assets	6,854.05	5,039.10			

Consolidated Cashflow Statement:

Particulars (Rs. Mn.)	H1 FY24	H1 FY23
Net Cashflow from Operations Activities	(325.42)	67.83
Net Cashflow from Investing Activities	(235.64)	(7.89)
Net Cashflow from Financing Activities	547.36	(71.08)
Net Change in Cash and Cash Equivalents	(13.70)	(11.15)

Management Commentary:

Commenting on the performance of Q2 FY24, the management team of Paramount said:

“We are happy to share with you our robust business and financial performance.

- Our Revenue from Operations grew by 18.75% from Rs. 2,125.73 Mn in Q2 FY23 to Rs. 2,524.35 Mn in Q2 FY24 and by 23.03% from Rs. 3,762.99 Mn in H1 FY23 to Rs. 4,629.80 Mn in H1 FY24. This growth was led by robust demand for our products across markets and applications.*
- Our EBITDA increased by 36.68% from Rs. 169.86 Mn in Q2 FY23 to Rs. 232.16 Mn in Q2 FY24 and by 52.18% from Rs. 274.19 Mn in H1 FY23 to Rs. 417.27 Mn in H1 FY24. EBITDA margins increased by 125 bps from 7.88% in Q2 FY23 to 9.13% in Q2 FY24 and by 176 bps from 7.18% in H1 FY23 to 8.94% in H1 FY24. This was led by increase in scale of operations, and efficient cost control measures.*
- PAT increased by 54.40% from Rs. 126.23 Mn in Q2 FY23 to Rs. 194.89 Mn in Q2 FY24 and by 73.16% from Rs. 196.49 Mn in H1 FY23 to Rs. 340.23 Mn in H1 FY24. PAT margins increased by 181 bps and by 215 bps to 7.66% in Q2 FY23 and to 7.29% in H1 FY24 respectively.*

In line with our vision to broaden our product range and tap into newer markets, we are excited to enter into the production and supply of 66kV power cables. This strategic expansion aligns with the increasing need for reliable power transmission solutions, especially in the renewable energy and utility sectors. We are committed to delivering technologically advanced and high-performance power cables that meet the evolving demands of our customers.

On the industry front, the offtake in the domestic markets is aided by government infrastructure projects (highway, railway, metro, power distribution), an uptick in private capex, and sustained real-estate activity. These factors will serve as significant drivers for the demand of our products in the upcoming quarters.

India's power demand is anticipated to grow at a compound annual rate of around 7-and is set to hit 299 GW in peak demand by 2026-27, according to the Central Electricity Authority (CEA). This increase in demand will generate a strong market interest in our efficient power transmission solutions. Additionally, the government's nation-building initiatives are driving substantial infrastructural development and modernization in the railways and telecom sectors, further fuelling demand for our products, particularly in the context of the government's ambitious plans to establish a robust 4G and 5G network in India. Moreover, the installed capacity for renewable energy is expected to grow by 200 GW in Solar Power and by 55 GW in Wind Power during 2024 to 2030. This growth will foster the demand for extensive transmission and cable infrastructure to transmit power from remote generation sites to consumption centers.

On a global level, the western region (USA) has demonstrated positive growth on both a YoY and sequential basis demonstrated by a strong GDP growth. We expect this demand to continue in upcoming quarters, leading to strong volume growth.

At Paramount, our diverse product portfolio, effective go-to-market strategy, and committed workforce provide us with ample resources to harness the expanding market potential and significantly expand our operations in the years ahead.

Finally, we completed the acquisition of a 100% stake in Valens Technologies Pvt. Ltd., a company specializing in the manufacturing of HDPE pipes. These pipes are utilized in various sectors, including telecom, water transportation, and wire installation. This strategic acquisition positions us advantageously with our customers, allowing us to provide comprehensive bundled services, including efficient wire and cable installation, while also opening up additional opportunities in related sectors.

Looking ahead to the second half of FY24, we hold the utmost confidence that our unwavering commitment to developing quality products and positive reception in the market will continue to propel our growth. This will enable us to meet the rapidly increasing demands of various industries while upholding our dedication to excellence and innovation.

For further information on The Company, please visit: <https://paramountcables.com>

Disclaimer:

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Paramount Communications Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstance.

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