



***POWERING  
MOMENTUM***  
***AIMING HIGHER***

Annual Report 2018-19  
Paramount Communications Limited





**Late Shri Shyam Sunder Aggarwal**  
Founder – Paramount Communications Limited  
(06.10.1936 – 06.12.1999)

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

- Bhagavad Gita, 3.21



Visit:  
[www.paramountcables.com](http://www.paramountcables.com)  
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FY 2017-18 was a landmark year in terms of business development and performance...

We strengthened our organization and invested in sustainable growth. We leveraged our core competencies to deliver more value to customers in a manner that maximized shareholders' wealth.

Through FY 2018-19, we focused on areas of future growth and intensified our marketing outreach. We improved capacity utilization and optimized costs. These measures enhanced our business and profits significantly, while putting us back on track for a stronger and sustainable future.

Now, with every aspect of our business synergistically aligned, we are

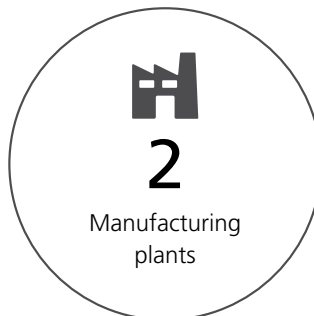
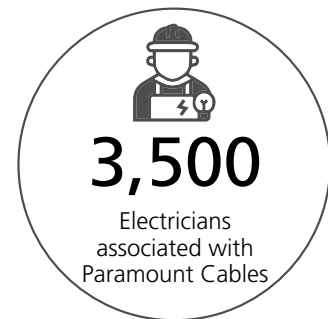
***POWERING  
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# A Company Connecting Lives Globally

Paramount Cables is one of the leading wires and cables companies in India, with an established presence overseas. With six decades of manufacturing expertise, we are among the few companies offering products for all infrastructure segments. Our clientele include prestigious public and private sector companies.

## Our legacy

Headquartered in New Delhi, Paramount Communications Limited (also known by its brand name Paramount Cables) started operations in 1955. It has two manufacturing plants in Khushkhera (Rajasthan) and Dharuhera (Haryana). It is listed on the BSE Ltd. and the National Stock Exchange (NSE).



## Strong clientele

### Public sector undertaking

 APGENCO	 BHEL Maharatna Company	 BSNL Connecting India
 BSES BSES Yamuna Power Limited		
 एनटीपीसी NTPC	 रेलटेल RAILTEL	 pstcl PUNJAB STATE TRANSMISSION CORPORATION LIMITED
 MAHAVITARAN Maharashtra State Electricity Distributor Co. Ltd	 BBNL BRAND CREATIVE MEDIA Platform for Telecom	 JVNL
 ADANI	 KSEB	 YOKOGAWA

### Private sector

 airtel	 ABB	 BAJAJ Bajaj Electricals Ltd. Inspiring Trust
 TATA TATA PROJECTS LIMITED	 KEC KEC INTERNATIONAL LIMITED	 KALPA-TARU POWER TRANSMISSION LIMITED
 EMC Limited Spanning Power Globally Since 1953	 SIEMENS Ingenuity for Life.	 LARSEN & TOUBRO

### Paramount reputation

- First company to be awarded the National Entrepreneurship Award by the President of India for Outstanding Achievement in wire and cable manufacturing in 1984.
- Sole vendor with near zero rejection rates for Railway Axle Counter Cables.
- Only Indian cables brand, among fewer than ten globally, to simultaneously hold certification for the highest level of Fire Survival Cables from both BASEC (British Approvals Service for Cables) and LPCB (Loss Prevention Certification Board).

# Aiming Higher with a Comprehensive Portfolio

Multisectoral offerings



**Power**



**Railways**



**Telecom**



**IT and  
Communications**



**Construction**



**Defense**



**Space Research**



**Fertilizer**



**Petrochemical**



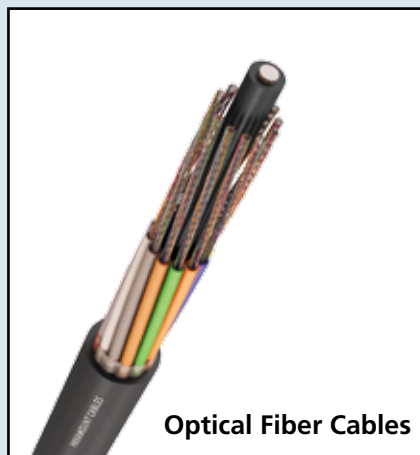
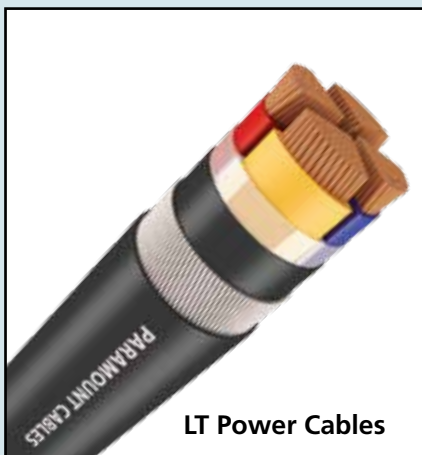
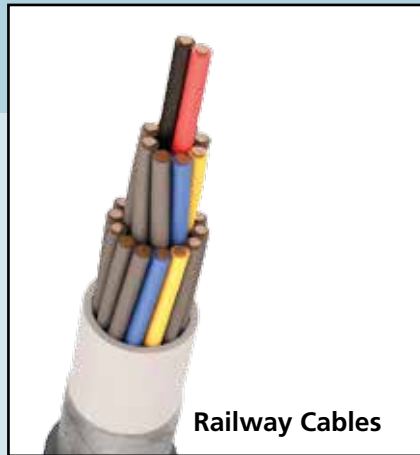
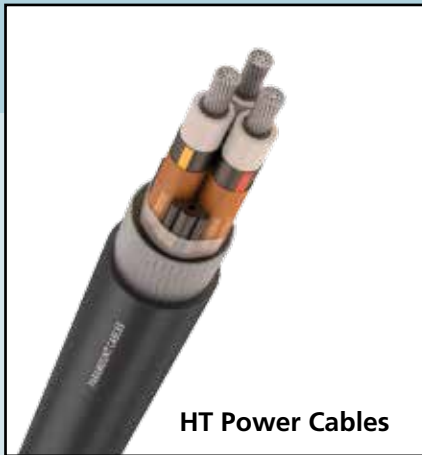
**Steel**



**Electronics**

## Comprehensive portfolio

- **Power**  
High Tension (HT) and Low Tension (LT) Power Cables, HT and LT Aerial Bunch Cables (ABC), Control and Instrumentation Cables, Thermocouple Extension and Compensating Cables, Fire Survival Cables, Fire Resistant Low Smoke (FRLS) Cables
- **Railway**  
Signalling Cables, Axle Counter Cables, Indoor Multicore Cables
- **Telecom**  
Optical Fiber Cables (OFC), Jelly Filled Telephone Cables (JFT), Aerial Telecom Cables, Installation Cables for Electronic Exchanges, Hook-up / Jumper / Drop Wires, Fiber to the Home (FTTH) Cables
- **Domestic Building Wires**
- **Submersible Cables**
- **Solar Cables**
- **Special Cables**
- **Multicore Cables**
- **Poly-Tetra Fluoroethylene Cables (PTFE)**



# Powering Competencies, Aiming Higher

## Driving quality excellence with state-of-the-art manufacturing

Quality is sacrosanct at Paramount. Our robust manufacturing infrastructure is supported by in-house process control systems that are run by quality assurance experts.

### Manufacturing infrastructure

Our plants are ISO 9001:2015 quality and ISO 14001:2015 environmental certified by URS and have large manufacturing capacities, enabling us to cater to the growing global demand. These facilities are equipped with advanced machinery and testing equipment, including that for fire-retardant, low-smoke PVC compounds and for electrical testing. We have stringent process controls and quality assurance experts who maintain high scrutiny across the entire process chain.



### Our product accreditation

#### Indian accreditation / approvals

- Bureau of Indian Standards (BIS)
- Telecom Engineering Centre
- Research Designs & Standards Organization for Railways
- NTPC and PGCIL for Power Cables

#### International accreditation / approvals

- British Approvals Service for Cables (BASEC) - LV Power Cables
- BASEC and Loss Prevention Certification Board (LPCB) - Fire Survival Cables
- UL - Service Entrance Cables and Thermoset Insulated Wires & Cables
- IEC, EN & TUV - Solar Cables

#### International product manufacturing standards

- British Standard Specifications (BSS)
- American Society for Testing and Materials (ASTM)
- International Electro Technical Commission Specifications (IEC)
- Verband der Elektrotechnik (VDE)
- Deutsches Institut für Normung e.V. (DIN)
- Japanese Industrial Standards (JIS)
- French Standards (NFC)
- Russian Standards (GOST)

#### Product Licenses

- Licensed by BIS to mark products with:
- IS 7098 Part 1 and Part 2 for LT 1.1 KV and 3.3KV-33KV HT XLPE Power Cables
  - IS 14255 for 1.1 KV Aerial Bunch Cables
  - IS 694 for light duty PVC Cables
  - IS 1554 Part 1 for 1.1 KV heavy duty armoured and unarmoured cables including control cables
  - Licensed by BASEC to mark products with BS5467, BS6724 & BS7846
  - Licensed by LPCB to mark Fire Survival Cables
  - UL marking approval for Service Entrance Cables as per UL 854 and Thermoset Insulated Wires & Cables as per UL 44
  - TUV approval for Solar Cables



## Powering innovation

We are in a very rapidly evolving field of manufacturing, with a need for agile scaling. Our strong innovation drive enables us to meet diverse client requirements across the globe, with a wide range of pioneering and ingenious products

### R&D competence

Our strong research drive and highly competent team of people enable us to consistently develop customized products that are superior in quality and performance. With this advantage, we have built a strong brand equity and a reputation that 'if a product is from Paramount, it must be very good'. This trust is a vital asset for us.



### A track record of developing unique products and capabilities

**1<sup>st</sup> in India to develop...**

**Four Quad Axle Counter Cables for telecom and signalling network in the Indian railways in 1985**

#### Environment-friendly electrical housing wires with the following properties:

- Only Indian cables brand with lead-free PVC, making it non-toxic and safe
- 99.97% pure copper with high quality and 100% conductivity for energy saving
- Low smoke and gas emission
- No release of halogen into the atmosphere, ensuring protection of ozone layer



**We are one of the very few brands globally having certificate of conformity from both BASEC and LPCB for Fire Survival Cables**

**One of the few companies globally to manufacture the highest rated 'F120' i.e. 120 minutes Fire Survival Cables having the following properties:**

- Resistant to fire temperatures of 950°C for two hours
- Resistant to fire with intermittent water spray mimicking fireman's water hose
- Resistant to fire with mechanical impact mimicking falling stones / debris
- Combination of resistance to fire with mechanical impact and water jet spray at a temperature of 830°C for duration of two hours limits the generation of toxic gases and fumes that hinder fire-fighting and rescue operations

# Driving Growth with Focus and Discipline



Our strong focus on driving operational excellence, garnering new competencies and adopting a disciplined financial management approach, has contributed to significant improvement in our performance.

We recorded strong performance in FY 2018-19

**41%**

Growth in total net revenues from ₹ 4,373 Million in FY 2017-18 to ₹ 6,178 Million in FY 2018-19

**99%**

Growth in profit after tax (including other comprehensive income) from ₹ 146 Million in FY 2017-18 to ₹ 292 Million in FY 2018-19

We delivered operational efficiency

**1.48**

Net debt equity ratio as on 31<sup>st</sup> March, 2019 as compared to 2.35 as on 31<sup>st</sup> March, 2018

**64%**

Growth in Net Worth from ₹ 863 Million in FY 2017-18 to ₹ 1,414 Million in FY 2018-19

Working out a strategy for better future

Intensify R&D and product development

Expand retail business in terms of both market share in existing regions as well as adding new territories

Target EPC opportunities in the telecom and power segments

Grow our export base for power and telecom cables

# Demonstrating Marine and Technical Prowess with a Marquee Project



## Successfully executing a prestigious project and becoming the first Indian Company to repair a submarine cable

In February 2018, the 330 km long Bharat Lanka Undersea Cable System (BLCS) connecting India and Sri Lanka met with a fault near Tuticorin. Carrying Indian data traffic to Sri Lanka, the link laid in 2006 and jointly owned by BSNL and Sri Lanka Telecom, is of strategic importance. This made its timely and faultless repair essential. Typically, such work, requiring technical expertise has been handled by global companies. However, Paramount Cables took up the challenge. Leveraging the excellence of our marine and technical teams, we successfully delivered the project, becoming the first Indian company to repair an undersea cable system. With this execution, we now possess all technical and marine capabilities and expertise to repair any undersea cable across the Indian ocean. This is critical in making India a self-dependent country for such specialized services.

# Always on the Move, Targeting Growth Opportunities

Operating in a competitive era, we constantly review and strengthen internal factors along with assessing the external business scenario to ensure sustainability. We will continue to consolidate existing product areas and identify potential growth areas. We will also keep investing in new markets and new products.



## Optical fiber cables for a faster world



India is witnessing a massive digitalization initiative. The Government's initiatives of 100 smart cities and covering of all villages in India with Internet connectivity are driving demand for optical fiber cable. Further, the Government has come up with a National Digital Communications Policy focused on providing high-speed broadband that, on implementation, will further drive demand for high-value cables.

### Paramount advantage



We have long been a leader in wiring and cabling solutions for the telecom sector. Our optical fiber telecom cables have a solid reputation for high quality and lasting performance.

## Domestic building wires for a safer home



Real estate, having been in a slumber following the implementation of RERA and GST, is steadily rebounding, especially in the affordable housing segment, which has been incentivized with tax benefits, subsidies, and lowering of GST. This segment is also getting the push to fulfill the Government's vision of Housing for All. With an estimated housing shortage of 63-65 Million units in the rural areas and 44-48 Million units in urban areas, the affordable housing segment is likely to witness strong growth; that in turn will boost demand for building wires.

### Paramount advantage



A unique product offering, being the only Indian brand with non-toxic, lead-free PVC technology, along with a robust dealer network gives Paramount a sharp competitive edge in the housing wires market.

## EPC focus for a holistic solution



With the Government targeting to make India a US\$ 5 Trillion economy by FY 2024-25, significant investments will be required in the infrastructure segment to support the economic growth momentum.

Though the opportunity will be huge, projects are likely to get larger and more complex, and will come with stringent quality, cost, and delivery specification. Companies with engineering, procurement, construction (EPC) capabilities will thrive in this market.

### Paramount advantage



We have experience in executing EPC projects for telecom, power, and railways segments. We are focused on scaling our capabilities and operational efficiency to enhance our competitiveness.

## Solar cable for a greener tomorrow



India has set an unprecedented record in installing new power capacities to meet the Government's objective of power for all. As the Indian economy grows, the demand for power will continue to surge. This will require an increase in capacities along with the creation of transmission and other infrastructure. To control pollution, the focus will be on building more renewable energy facilities. The Government has set an ambitious target of installing 100 GW of solar power capacity by 2022, up from 29.55 GW as on 30<sup>th</sup> June, 2019. Thus, mega opportunities are likely in the solar power segment.

### Paramount advantage



We have leveraged our inherent advantage in the power cabling segment to build a strong portfolio of solar cables. We intend to ramp up production of these cables to cater to the growing demand.

# Message from the Chairman and CEO

Sanjay Aggarwal provides insights into the Company's turnaround, its performance and how it is moving further ahead to unleash potential and drive mega opportunities.



Dear Stakeholders,  
It is my pleasure to report another successful year of operations which saw your Company unleashing its true growth potential.

It is said, "Get the basics right and the results will follow." This has always been the policy at Paramount Cables, and it has always kept us going even in the toughest times. I am pleased to tell you that once again, this strategy has helped us overcome huge challenges and emerge stronger and wiser.

To fully realise the significance of this year's positive results, we need to look back for a moment at the sudden and catastrophic global financial and commodities meltdown of 2008. That event put us in a very vulnerable position, coming soon after we had made a major acquisition investment in the United Kingdom, and led to years of losses, net worth erosion, ballooning of debt, and liquidity issues. What helped us navigate those stormy seas were the basics – we maintained the strong operational performance that our Company has been renowned for over six decades; we launched new products with better features and quality; improved our supply reliability; and improved cost efficiencies. Thanks to our sustained efforts, we managed to retain all our customers and markets, and our brand equity for product excellence remained intact.

The result showed in our financial performance achieving record levels just one year after the successful corporate debt structuring in FY2017-18 which helped us bring down debt by 65%. We also benefited from strong demand for our products. This, backed by our initiatives

## Our value proposition of quality and competitive pricing along with global certifications are contributing to greater acceptance of our products in several international markets.

to reinforce competitiveness, contributed to better sweating of assets. Total revenues grew by 41% to reach ₹ 6,178 Million, led by higher execution of institutional orders. A healthier balance sheet position with lower debt costs meant a stronger bottom-line growth. Operating profit increased from ₹ 10 Million in FY 2017-18 to ₹ 455 Million in FY 2018-19 and profit after tax grew by 99% to ₹ 292 Million. We were able to further bolster our net worth position, which now stands at ₹ 1,414 Million as on 31<sup>st</sup> March, 2019, higher by 64% over the previous year.

Our performance in FY 2018-19 reiterates the strength of our business model. Having said that, we continue to explore ways to make it still more robust, taking valuable lessons from the experiences gathered on our journey. First, we are focused on growing the retail business, in which we provide fire retardant and lead-free home wiring solutions. The performance and safety factors of these wires make them stand out in the market and help fuel demand. Progressing well with this strategy, we have worked on increasing our market reach. These products are now sold across Indian markets through a large network of dealers and distributors.

Second, we are trying to grow the export business. Our value proposition of quality and competitive pricing along with global certifications are contributing to greater acceptance of our products in several international markets. We are expanding the distribution network to ensure deeper penetration in existing markets as well as to enter newer markets.

Alongside these initiatives, we are nurturing our domestic institutional business, where we are seeing increasing opportunities led by several Government initiatives such as Internet connectivity, power for all, and modernization of the railway infrastructure. This has spurred demand for telecom, power, and railway cables. We won several prestigious orders and closed the year with an order book of ₹ 2,549 Million as on 31<sup>st</sup> March, 2019.

We remain strongly enthused by the developments in these segments. In the telecom segment, customs duty hike on imported optical fibers is a welcome move and augurs well for the domestic players as India targets a massive countrywide connectivity programme. In the power sector, the demand for electricity is expected to increase to 1.8 Trillion units as the country accelerates its growth trajectory, aiming to become a US\$ 5 Trillion economy by FY 2024-25. This will necessitate an investment of ₹ 5 Trillion in power transmission. In railways, plans to build and modernize metro rail networks in several cities are opening massive opportunities.

### Preparing for the opportunity

Paramount has always been a proactive organization. Despite passing through financial challenges, we have succeeded in getting several things right, foreseeing the growth that would follow the slowdown. Our well-thought-out actions enabled us to retain and grow our market position and ensure the sustainability of our business. We have identified future growth areas, where, led by our in-house research and development capabilities, we have built

a robust product portfolio of superior products. We have created a presence in newer, promising markets in the country and overseas. We have extended our business offerings to multiple sectors and customer segments. These initiatives are not just boosting our growth, but are also adding strength to our business model through diversification.

As we move forward, innovation will continue to be the cornerstone of our success. Our firm endeavor has always been to be a step ahead of the industry with our product range. We will continue to enhance and expand our portfolio to meet the ever-changing requirements in terms of quality, new applications, new features and better performance. We are also working on more creative ways to improve operational efficiency and reduce costs.

### Closing note

I thank all our stakeholders for their steady support. The future is bright. We have successfully weathered the crisis and emerged stronger. We are competitively placed as a preferred partner to B2B clients and a go-to brand for the B2C customers. With our strong operational set-up and reinforced business model, we are progressing in the right direction. We have in place all the right building blocks to grow and maximize value for all stakeholders. The focus will now be on executing our strategies with more vigour and deeper insight.

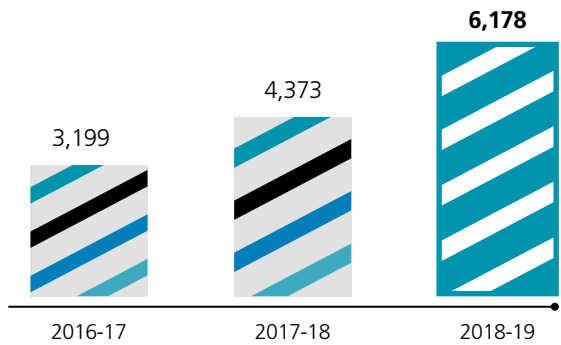
Warm regards,

**Sanjay Aggarwal**

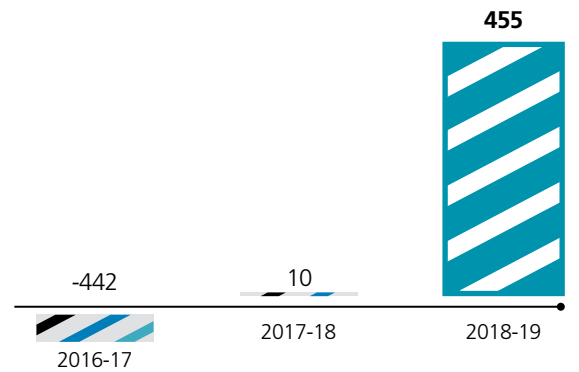
Chairman & CEO

# Performance Highlights of the Year

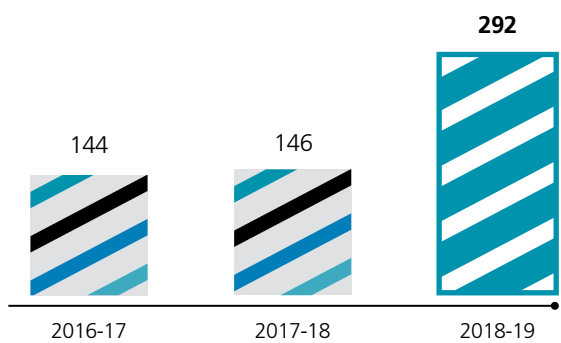
**Total Revenues** (₹ Million)



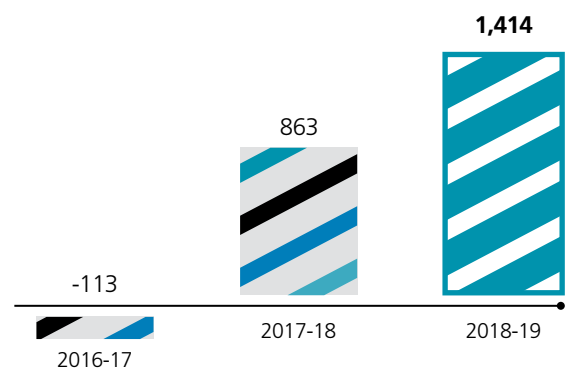
**EBIDTA** (₹ Million)



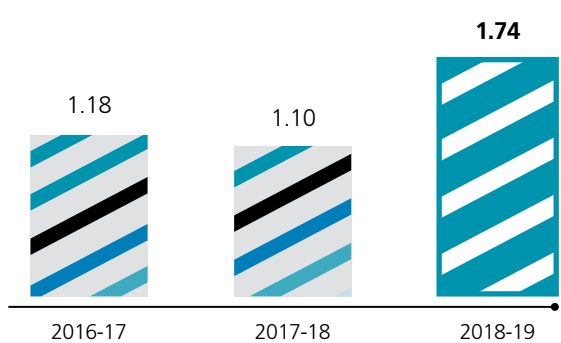
**Net Profit including OCI** (₹ Million)



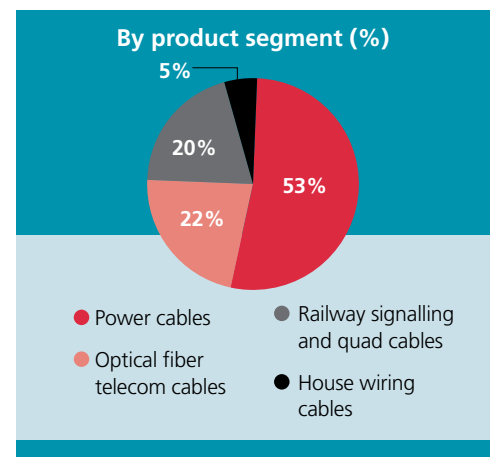
**Net Worth** (₹ Million)



**Earnings Per Share** (₹)



**Revenue break-up**





# Board of Directors

## 1. Mr. Sanjay Aggarwal Chairman and CEO

He is an eminent businessman with over two decades of experience in the cable industry. With his deep industry knowledge and management skills, he has successfully steered the organization to greater heights. He has been on the Company's Board since November 1994. He is a Commerce graduate from Shri Ram College of Commerce, Delhi.

## 2. Mr. Sandeep Aggarwal Managing Director

He is a reputable businessman with vast experience and knowledge of the cable industry. With his innovative leadership and management approach, he is actively involved in all major activities of the Company. He has been on the Company's Board since November 1994. He has a B.A. Hons (Economics) from Shri Ram College of Commerce, Delhi.

## 3. Mr. Vijay Bhushan Independent Director

He was the Chairman of the Federation of Indian Stock Exchanges, representing 20 stock exchanges, from FY 2002-04. He has been actively associated with the capital market since 1981. He has been on the Company's Board since July 2000. He is an MBA from the University of Delhi and the former President of Delhi Stock Exchange.

## 4. Mrs. Malini Gupta Independent Director

She is a dynamic personality with over 22 years of experience in the areas of business strategy, performance improvement, supply chain re-engineering and project management. She is a Director at Positron Services. She has been on the Company's Board since January 2015. She has done Masters in Management Studies from BITS Pilani and is Certified in Production and Inventory Management from APICS, USA.

## 5. Mr. Vijay Maheshwari Independent Director

He is a fellow member of the Institute of Chartered Accountants of India and has over 40 years of experience in lending, project finance, auditing, and financial restructuring. He is acclaimed for his vision and dynamism. He is the Promoter Director of Sumedha Fiscal Services Limited, a SEBI registered Category I Merchant Banking and Stock Broking Company with a pan-India presence, and of Sumedha Management Solutions (P) Ltd, an insolvency professional entity.



# Striving for Better Communities

## Empowering Children and Women



We sponsored Kalakar Foundation Women's NGO in conducting a drawing competition for girl students, giving them an opportunity to express their thoughts towards the society. The initiative received tremendous support and participation. We also aid the education and vocational training for the youth, helping them find employment and become self-reliant.

## Promoting Health and Sanitation



We undertook the distribution of medical masks among street vendors, hawkers, and impoverished street children to offer them protection from pollution. We promoted Swachh Bharat Abhiyan by distributing recyclable disposal bags to vehicles at traffic signals in order to discourage littering on the roads. We also undertook various countrywide programmes to spread awareness on general health and hygiene.

## Nurturing Communities



We donated for building check dams in Haryana, Rajasthan, and Uttar Pradesh. We have helped construct a total of 27 check dams in association with the PHD Chamber of Commerce & Industry and Rotary, positively touching the lives of more than 25,000 villagers. We undertake regular distribution of fans, furniture, toilet fittings, water pumps, and playground equipment for Government schools, along with sponsoring education, medical aid and sports activities.



Disposal bags to curb littering



NGO-hosted drawing competition



Check dam inauguration



Awareness campaign vehicle



Distribution of anti-pollution masks

# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

The broad-based cyclical growth witnessed in the preceding two years lost momentum in 2018. Deceleration is mainly attributable to heightened trade tensions and tariff hikes between the United States (US) and China, poor business confidence, tightened financial conditions and greater policy uncertainty across economies. World economic growth came in at 3.6% in 2018, down from 3.8% in 2017. Growth in advanced economies was at 2.2% in 2018, slightly lower than the 2.4% in 2017. Growth in emerging markets and developing economies was 4.5% in 2018, as compared to 4.8% in 2017. China's growth was negatively impacted led by needed regulatory tightening to restraint shadow banking and heightened trade tensions with the US.

In 2019, world economic growth is likely to dip to 3.2% with early signs of pick-up in the second half. Positive stance rides on an accommodative policy outlook in advanced economies, likely easing of trade tensions between the US and China post the G20 summit and ramped up fiscal and monetary stimulus in China. Global growth is expected to scale up to 3.5% in 2020.

*(Source: IMF World Economic Outlook, July 2019)*

### Indian Economy

The Indian economy continued on its robust growth trajectory emerging as the fastest growing major economy in the world, despite the global economy battling headwinds. As per the Central Statistics Office's (CSO) provisional estimates, India's Gross Domestic Product (GDP) is expected to have grown at 6.8% in FY 2018-19, versus 7.2% in FY 2017-18. Pressure on growth was seen mainly in the second half attributable to weak agricultural output, poor consumer spending impacted by stress in non-banking finance segment, low investments, and manufacturing sector weakness. Growth is expected to accelerate led by support from prudent macroeconomic policies on both fiscal and monetary fronts. India's ranking on the World Bank's 'Ease of Doing Business' report improved for the second straight year, jumping 23 places to the 77<sup>th</sup> position led by structural reforms related to insolvency, taxation and other areas.

Focused on supporting the economy and driving consumption, the Government in its interim Union Budget 2019-20 stressed on supporting farmers, economically weak sections, workers in the unorganized sector and salaried employees. The Government also continued to push for better physical and social infrastructure by allocating ₹ 5.97 Lakh Cr to the segment with all-time high allocations to the rail and road sectors. The year witnessed

significant development in infrastructure segment. Under the Smart Cities Mission, projects worth ₹ 2,350 Cr have been completed and projects worth ₹ 20,852 Cr are under progress. Around 35,000 km of road construction has been approved under the Phase-1 of the Bharatmala Pariyojana at an estimated cost of ₹ 5.35 Lakh Cr. Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. The Government in its Union Budget July 2019 have announced ₹ 100 Lakh Cr on infrastructure over the next five years and ₹ 50 Lakh Cr on Railways between FY 2018-30.

India's GDP is expected to reach US\$ 5 Trillion by FY 2024-25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics and other structural reforms. As per a Boston Consulting Group report, India is expected to be the third-largest consumer economy as its consumption is likely to triple to US\$ 4 Trillion by 2025, owing to shift in consumer behavior and expenditure pattern. IMF forecasts the India's GDP to grow at 7.3% in FY 2019-20 with industrial capacities running at above average utilization and expectations of revival in capital investments. Consumer demand is expected to remain at a heightened level with good support from industrial and services sectors in FY 2019-20.

*(Source: CSO, IMF World Economic Outlook, April 2019, IBEF)*

## INDUSTRY OVERVIEW

Steady and robust GDP growth portends well for all the industry sectors, including wires and cables. The Government's focus on Power for All, rural electrification, improving infrastructure, along with robust spurt in the number of electrified households, improved lifestyles and new opportunities are propelling the demand for cables and wires and electrical items. The Indian wire and cable industry having grown at around 14-15% CAGR in the last five years is expected to accelerate to 15-16% CAGR in the next five years, catapulting the market from ₹ 49,000 Cr to ₹ 100,000 Cr. (Source: Wires & Cable India)

### Opportunities

The wires and cables market in India comprises nearly 40% of the electrical industry and is growing strongly as a result of growth in the power and infrastructure sectors. These sectors have been witnessing robust growth owing to the boost provided by the recent policy and regulatory initiatives as well as ambitious Government schemes. The Government has announced an expenditure of ₹ 100 Lakh Cr over FY 2019-24 into infrastructure. The Government schemes include Ujjwal Discom Assurance

Yojana (UDAY), 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY), the Integrated Power Development Scheme (IPDS) and the 'Pradhan Mantri Sahaj Bijli Har Ghar Yojana' (PMSBHGY). Under DDUGJY, the Government has achieved the electrification of almost all villages in the country.

The Transmission and Distribution (T&D) sector continues to remain in focus, especially with the outlay of ₹ 2.6 Lakh Cr announced by the Government for the five-year period ending FY 2022. The plan includes an estimate of ₹ 30,000 Cr to be invested in transmission systems below 220 KV, of which ₹ 1.6 Lakh Cr would be invested by the States and the remaining amount by Power Grid Corporation of India. The Government is planning to increase the size of projects and scope of work in transmission. Inter-state lines with capacity of around 56,000 MW are being planned by the end of the 13th plan. There is also a sharper focus on high voltage transmission lines along with the Government's aim to provide 24x7 power, which is opening up opportunities in the sector. Electricity distribution companies (DISCOMs) which have joined the UDAY scheme are expected to improve their T&D infrastructure through renewed investments. The Government's target of generating 100 GW of solar energy by 2022 and measures such as excise duty exemption for ferro-silicon magnesium used for manufacturing components for wind-operated electric power generators are augmenting the demand for electrical wires and cables.

*(Source: [https://www.business-standard.com/article/economy-policy/power-transmission-investment-likely-to-be-rs-2-lakh-cr-in-next-plan-cea-117010201016\\_1.html](https://www.business-standard.com/article/economy-policy/power-transmission-investment-likely-to-be-rs-2-lakh-cr-in-next-plan-cea-117010201016_1.html); <http://www.wirecable.in/2017/01/power-transmission-sector-likely-to-get-about-rs-260000-cr-investment-till-2022/>)*

Further, the Indian Railways' 'Mission 41K', aimed at saving ₹ 41,000 Cr energy consumption expenditure over 10 years, has generated significant potential for Indian wires and cables industry through electrification of 38,000 km route. The Government has estimated a spend of ₹ 50 Lakh Cr during FY 2018-30 on Railways infrastructure, which shall greatly enhance the demand for railway cables.

The Government's continued emphasis on Digital India and the Bharat Net project to connect each of the 2.5 Lakh villages in the country with optical fiber is providing a strong demand for optical fiber cables. Additionally, the Government's 'Smart City' project is expected to propel large-scale growth in infrastructure, telecom, power generation, T&D, engineering and automotive sectors.

## Outlook

Paramount's main focus areas for its product demand are power, railways and telecommunications sectors. The future prospects of the respective sectors are as follows:

## Power Sector

India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of Doing Business – 'Getting Electricity' ranking. Renewable energy is fast emerging as a major source of power in India. India has successfully achieved 99.9% household electrification as on 31<sup>st</sup> March 2019, under the Saubhagya Scheme. The Government aims to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. Coal-based power generation capacity, which currently stands at 190 GW is expected to reach 330-441 GW by 2040. All the states and union territories of India are onboard to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all. India's power sector is forecasted to attract investments worth ₹ 9-9.5 Trillion between FY 2019-23. Total Foreign Direct Investments (FDIs) inflows in the power sector reached US\$ 14.22 Billion during April 2000 to December 2018, accounting for 3.48% of total FDI inflows in India. These initiatives will bolster the demand for power cables.

*(Source: CRISIL, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=180728>, IBEF)*

## Railways

The Indian Railways is among the world's third-largest rail network. The Indian Railways route length network is spread over 115,000 km, with 12,617 passenger trains and 7,421 freight trains running each day. The Government made the highest ever capital-expenditure allocation of ₹ 1.58 Lakh Cr for the railways in the interim budget. The capital support from the budget for the railways is proposed to be ₹ 64,587 Cr. The Government is also focused on investing on railway infrastructure by making investor-friendly policies like enabling FDI in railways to improve infrastructure for freight and high-speed trains. In the next four to five years, Indian Railways plans to undertake 22,825 km of new line and 12,215 km of line doubling, besides, electrifying 38,000 km of railway network. Also, 3,360 km of Dedicated Freight Corridor (DFC) is expected to be commissioned by 2020. The eight proposed high speed rail (HSR) projects will entail a total investment of at least ₹ 13 Trillion over the next 15-20 years. In addition, nine semi HSR projects are in the planning stage. All-inclusive, the railways sector in India is poised to become one of the major drivers for economic growth in the country. The network expansion and decongestion plans are expected to create huge opportunities for the cables and wires market.

*(Source: IBEF, Budget speech 2019, <https://www.businesstoday.in/budget-2019/news/union-budget-2019-piyush-goyal-announces-rs-158-lakh-crore-for-railways/story/315937.html>)*

## Telecommunications

India is the world's second-largest telecommunications market with a subscriber base of 1.20 Billion attracting huge investment

interest. With rapidly growing subscriber base, there have been a lot of investments and developments in the sector. The industry has attracted FDI worth US\$ 32.45 Billion during the period April 2000 to December 2018 as per Department of Industrial Policy and Promotion (DIPP). The country has witnessed six-fold increase in Government spending on telecommunications infrastructure and services in the country – from ₹ 9,900 Cr during FY 2009-14 to ₹ 60,000 Cr during FY 2014-19. Also, countrywide Optical Fiber Cable (OFC) coverage has doubled from 700,000 km to 1.4 Million km. The Government's 100 smart city project requires the Internet of Things (IoT) to play a vital role in development of those cities. The National Digital Communications Policy 2018 has envisaged attracting investments worth US\$ 100 Billion in the telecommunications sector by 2022. Bharat Net initiative, estimated to cost ₹ 45,000 Cr is planned to provide high-speed broadband connectivity to all the panchayats. These initiatives bode well for the cables and wires market.

(Source: DIPP, IBEF, <https://economictimes.indiatimes.com/industry/telecom/telecom-news/government-spend-on-telecom-infra-service-increase-six-fold-between-2014-19-to-rs-60000-crore/articleshow/67459501.cms?from=mdr>)

### Building, Construction and Real Estate

The year 2018 saw a fair revival in the residential market, led by new launches and sales in the affordable housing sector, which is projected to continue driving the market growth in 2019. The main focus was on ensuring affordable housing, balancing the impact of Goods and Services Tax (GST) and improving sales. However, the sector was impacted by the fallout of the liquidity crisis of Non-Banking Finance Companies (NBFCs). In addition to granting infrastructure status to the segment, a substantial GST rate cut was brought about to boost real estate segment. For under-construction flats that do not come under affordable housing segment, the GST has been reduced to 5% without input tax credit (ITC) compared to 12% with ITC earlier. For under-construction affordable homes, the rates have been reduced to 1% without ITC compared to 8% with ITC earlier. The Government also extended the benefit of Credit Link Subsidy Scheme (CLSS) on home loans for the middle income group under the Pradhan Mantri Awas Yojana (PMAY) Urban till the end of March 2020. These initiatives are expected to drive demand for house wires.

(Source: CBRE)

### COMPANY OVERVIEW

Paramount Communications Limited (the Company) was founded in 1955 as a small-scale cable manufacturing unit by Late Mr. Shyam Sunder Aggarwal. The 'Paramount' Brand was first established in 1955, which was reorganized as M/s. Paramount Cable Corporation in 1978, and later converted into a Public Limited Company in 1994. The Company is a part of the Paramount Cables Group and is well-known as one of India's leading wire and cable manufacturing companies.

With valuable experience of over half a century, the Group has built up a comprehensive portfolio spanning HV & LT Power Cables, Optical Fiber & other Telecom Cables, Railway Cables, Axle Counter Cables, Specialized Cables, Instrumentation & Data Cables, Fire Survival Cables, Fire Performance Cables, Aerial Bunch Cables (ABC), Control & Instrumentation Cables, House-wiring and Cables for Submersible Pumps, Thermocouple Extension & Compensating Cables, Jelly Filled Telephone Cables (JFTC) etc. The Company's products find application in power, railways, telecom & IT, petrochemicals, construction, defense and space research segments. The Company caters to all end user segments namely, government, institutional and major private sector organizations, both national and international.

Focused on manufacturing excellence, technological advancement and customer satisfaction, the Company strives to meet and exceed global quality benchmarks. Providing total cabling solutions to customers for all products, the Company has emerged as a 'One-Stop Provider' led by a strong and able management team. Its efficiency and robust work culture is reflected in the various recognitions the Company has been endowed upon by esteemed and marquee institutions.

### Product-Wise Business Analysis and Performance

#### Power Cables

The segment comprises various kinds of electric cables sold by the Company including LT/HT Power Cables, LT/HT Aerial Bunched Cables, Fire Survival Cables, Fire Performance Cables, Control Cables, Instrumentation Cables, Thermocouple Cables and other power cables. In FY 2018-19, the Company sold power cables worth ₹ 321.76 Cr as compared to ₹ 255.83 Cr in the previous year. Power Cables constitute approximately 52.93% of the Company's FY 2018-19 turnover.

#### Railway Cables

The segment comprises various kinds of electric cables including Railway Signalling Cables and Quad Cables, among others. In FY 2018-19, the Company sold railway cables worth ₹ 119.14 Cr as compared to ₹ 75.93 Cr in the previous year. Railway Cables constitute approximately 19.60% of the Company's FY 2018-19 turnover.

#### House Wiring Cables

The segment comprises various kinds of electric wiring cables such as Copper Flexible, Industrial Wires & House Wiring Cables. In FY 2018-19, the Company sold House Wiring Cables worth ₹ 31.22 Cr as compared to ₹ 29.98 Cr in the previous year. House Wiring Cables constitute approximately 5.14% of the Company's FY 2018-19 turnover.

#### Optical Fiber Cables

OFC finds application in telecommunications sector for transmitting telephone and cable television signals and internet

communication. With the demand for internet connectivity witnessing robust growth, the demand for OFC is expected to witness an exponential growth in the coming years, with early growth signs already visible. In FY 2018-19, the Company sold OFC worth ₹ 131.69 Cr as compared to ₹ 66.51 Cr in the previous year. OFC comprises 21.66% of the Company's FY 2018-19 turnover.

#### Jelly Filled Telephone Cables (JFTC)

The Company sold JFTCs worth ₹ 4.10 Cr in FY 2018-19 as compared to ₹ 2.88 Cr in the previous year. The JFTC segment comprises about 0.67% of the Company's FY 2018-19 turnover.

### COMPETITIVE BUSINESS STRATEGY AND OUTLOOK

High quality and innovative products define the Company's USP. Its expert research team aims to develop and maintain the superiority and innovativeness of the product portfolio to meet the needs of the customers. The Company's product competitiveness is complemented by its robust distribution network and relationships with institutional and Public Sector Undertakings (PSUs) enabling it to ensure sustainable business. The bright future of the Company stems from its:

- Widest spectrum of cables and wires catering to practically all the sectors of the economy including strong presence in three of the five core infrastructure sectors. Very few companies possess such robust product portfolio.
- Access to an array of sectors which creates a de-risked and diversified business model with little dependency on any one sector.
- Rejuvenated balance sheet position post corporate debt restructuring and Foreign Currency Convertible Bond (FCCB) conversion into equity. With this, the Company has become net worth positive, its debt is under control and average cost of debt has substantially reduced.
- Ability to cater to diverse end users across major infrastructure segments. The Company, besides catering to retail need, is an approved cable supplier to the Government, Public Sector Enterprises and almost all the major private players. As a result, a majority of its revenue comes from Government and institutional sales.
- Focus on providing tailor-made solutions with unique and superior quality, led by a passionate and expert research team, leading to high levels of client satisfaction.
- Accreditation with maximum certifications and prominent approvals from domestic and international clientele as products qualify the highest technological parameters and specifications.

### FINANCIAL PERFORMANCE

The Company's standalone Gross Turnover including other income stood at ₹ 617.77 Cr in FY 2018-19 versus ₹ 446.43 Cr in FY 2017-18. Net Profit including other comprehensive income for FY 2018-19 came in at ₹ 29.16 Cr versus ₹ 14.69 Cr in FY 2017-18.

Finance costs for FY 2018-19 stood at ₹ 7.98 Cr, as against ₹ 4.48 Cr in FY 2017-18.

Consolidated Gross Turnover including other income came in at ₹ 617.77 Cr for FY 2018-19, as against ₹ 446.43 Cr in FY 2017-18. Net Profit including other comprehensive income for FY 2018-19 came in at ₹ 29.16 Cr, as against ₹ 14.69 Cr in FY 2017-18.

### DETAILS OF CHANGES IN KEY FINANCIAL RATIOS AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR

In the reporting financial year, there is no significant changes in key financial Ratios except as below which are basically due to increase in operation profit margin only:

Particular	FY 2018-19	FY 2017-18	% change
Net Profit Margin to Net Revenue (%)	4.72%	3.35%	41.03%

### Risk Management

Risk management is an inherent feature of any business. Paramount operates in a highly competitive environment which is largely affected by the changes in Government policies and regulations.

Some of the key risks identified by the Company are as follows:

#### Business Risk

Globally, optical fiber cables demand has grown exponentially resulting in product shortage. To mitigate the risk of short supply and ensure business continuity, the Company has entered into long-term contracts with fiber manufacturers.

#### Technology Risk

Manufacture of cables continues to be a basic process without much technological advancement. However, product performance has been the key area of technological improvements. The Company gives utmost importance to technology and closely monitors the latest technological developments in the space to remain competitive and carve out its niche. Robust in-house process control systems assure committed quality assurance.

#### Financial Risk

The Company has adequate control systems which facilitate effective management of financial risks and monitoring of optimal inventory levels to reduce the impact of raw material

price volatility and ensure lower cost of capital. The Company also continues to undertake operational and cost optimization measures to drive improved performance.

#### **Foreign Exchange Fluctuation Risk**

Being a major exporter and having import dependence for raw materials, the Company is exposed to risks arising from fluctuations in exchange rates. The Company practices adequate hedging combined with continuous tracking of currency movements to minimize impact of adverse exchange rate fluctuations.

#### **Competition Risk**

Led by strong growth prospects of the wire and cable demand in the country, competition has significantly stepped up in the space. The Company has ringfenced itself with its differentiation of high quality, innovation, value pricing, supply reliability and advantage of one-stop supplier for multiple product range. This has enabled the Company to create a strong brand equity and transform challenges into opportunities. The Company also follows a proactive strategy in responding to competitors, which enables the Company to stay ahead of competition.

#### **INFORMATION TECHNOLOGY**

Dynamic information technology (IT) is an integral part of the Company's operations. The Company has a sizeable IT team that continuously monitors and assesses technological progress to ensure it remains updated as per industry standards and latest developments. Existing business and new products, services, designs, frameworks, processes and methodologies are maintained using high-end software. The Company is thus able to provide innovative solutions to the customers to ensure high levels of satisfaction and convenience. The Company's

organizational culture encourages investment in technological advancement, which has resulted in visible benefits.

#### **HUMAN RESOURCES**

Human capital is considered a key resource and an integral contributor to the Company's success. The Company has well-defined HR policies which take care of both personal and professional growth of its employees. These policies nurture a culture that leads to alignment of employee goals with that of the Company. Regular trainings are provided to the employees in the form of quality and production workshops to ensure skill upgradation and personnel development. The Company maintains a safe, stimulating and energetic work environment to boost employee morale and enhance productivity. Maintaining a conducive work environment and fair remuneration and reward system, the Company ensures minimal attrition level. This also ensures engaged and motivated employees who contribute to business growth.

#### **INTERNAL CONTROL SYSTEM**

To safeguard its assets and ensure efficient productivity at all levels, the Company has robust internal control systems in place, commensurate with the size and industry in which it operates. The internal control mechanism ensures strict adherence to requisite laws and regulations. Financial reporting and transaction reporting is also made quick, easy and accurate due to internal controls. The organizational structure is properly articulated with well-defined policies and guidelines and distinguished authority levels. Operational, financial and other areas covered by the Internal Audit is periodically monitored and reviewed by the Audit Committee of the Board. Any deviations from standard are corrected and measures are taken to strengthen the internal control framework further.

# Directors' Report

To,  
 The Members of  
**Paramount Communications Limited**

Your directors are pleased to present the Twenty Fifth Annual Report on the Business and operations of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

## 1. FINANCIAL SUMMARY AND HIGHLIGHTS

A Summary of the Company's Financial Results for the financial year 2018-19 is as under:

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March 2019	Year ended 31 <sup>st</sup> March 2018
<b>Total Revenue including Other Income</b>	<b>61,777</b>	<b>44,643</b>
Less: Excise Duty	-	918
<b>Net Revenue including Other Income</b>	<b>61,777</b>	<b>43,725</b>
<b>Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items</b>	<b>4,550</b>	<b>107</b>
Interest	770	415
Depreciation & Amortization of FCMITDA	864	923
Profit/(Loss) before Tax and Exceptional Items	2,916	(1,231)
Exceptional Items	-	2,700
Tax Expenses	-	-
<b>Profit/(Loss) after Tax and Exceptional Items</b>	<b>2,916</b>	<b>1,469</b>
Other Comprehensive Income	1	(5)
<b>Total Net Profit/(Loss) for the year including other Comprehensive Income</b>	<b>2,917</b>	<b>1,464</b>

During the financial year ended 31<sup>st</sup> March 2019, your Company recorded total revenue of ₹ 61,777 Lakhs as compared to the total revenue of ₹ 44,643 Lakhs recorded during the previous financial year ended 31<sup>st</sup> March 2018. Net Revenue from operations for the year ended 31<sup>st</sup> March 2019 has increased by about 40% over the corresponding period last year. The total Net Profit including other comprehensive Income of the Company for the financial year ended 31<sup>st</sup> March 2019, ₹ 2,917 Lakhs as against ₹ 1,464 Lakhs during previous year 2017-2018. Details of the Exceptional Items have been mentioned in Notes to the Financial Statements in this Annual Report.

## 2. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company does not have any Indian subsidiary company. However, the Company has the following direct wholly owned subsidiaries located outside India:

- a. \*Paramount Holdings Limited, incorporated under the laws of Cyprus;
- b. \*\*AEI Power Cables Limited, incorporated under the laws of England and Wales;

- c. 06196375 Cables Limited (formerly known as AEI Cables Limited), which was a subsidiary company, is "in Administration" (as per UK Laws) w.e.f. 28<sup>th</sup> February, 2014.

### Note:

- 1) \*The management of Paramount Holdings Limited are taking steps to liquidate the Company in accordance with the applicable laws of the country.
- 2) \*\*AEI Power Cables Limited, United Kingdom has ceased to trade and became dormant w.e.f. 1<sup>st</sup> April, 2017. The management of the Company intends to keep the company in existence, for use in foreseeable future, as and when required.

The Consolidated financials include un-audited financials of Paramount Holdings Limited, Cyprus and un-audited financials of AEI Power Cables Ltd., United Kingdom for the year ended 31<sup>st</sup> March, 2019.



The Company has no Joint venture with any other Company in India or abroad.

### 3. TRANSFER TO RESERVES

During the period under review, your Company do not propose to transfer funds to the General Reserves.

### 4. DIVIDEND

Your directors do not recommend declaration of any dividend for the financial year 2018-2019.

### 5. FUTURE OUTLOOK

As a result of Government initiatives such as 'Power for all', Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Projects for expansion of Railway Network and Optical Fiber telecom connectivity across the country, liberalization in Housing Finance, etc. As per the finance Minister's Budget Speech, 2019, the government plans an investment of ₹ 100 Lakh Cr over the next 5 years into infrastructure. Over ₹ 50 Lakh Cr is projected to be spent on the Indian Railway network between 2018 to 2030. Digital India, BharatNet and introduction of 5G technology in the mobile spectrum shall create substantial demand for Optical Fiber Cables. Your Company enjoys a strong competitive edge, being among the top national players in Telecom, Railways and Power Sectors and shall be ideally positioned to take full advantage of this tremendous investment into the country's infrastructure.

The Company's focus in future shall be to sustain and increase the momentum in its major business segments namely, Optical Fiber cables, Railway Signalling cables and Power cables etc. by leveraging its inherent strength of possessing almost all the prestigious customer approvals and pre-qualifications in the country based on its long track record of superior quality and timely delivery coupled with continuous product development as per evolving industry standards.

We remain committed to drive increased sales and profitability through extending the reach of our offerings. Our Financial health is greatly strengthened, providing us ample scope to expand our capacities. Your Company's vision for the coming year is to be a key participant in every relevant initiative of the Government so as to improve growth and development prospects of the Company.

### 6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Earlier, the Company had taken various steps to revive and rehabilitate the Company by restructuring its borrowings, which reduced the interest liability substantially. Further, with a view to augment funds and to finance the working

capital requirements of the Company and to support its future growth plans, the Promoters/Promoter Group have infused funds amounting to ₹ 25.94 Cr for strengthening the financial position of the Company, by way of issue of 17,000,000 Equity Shares on preferential basis.

The Company has also issued and allotted 11881500 Equity shares of the Company at a price of ₹ 28.40 per equity share upon conversion of outstanding FCCBs having face value of US\$ 7.5 Million.

Due to carried forward losses, no provision for Income Tax has been made.

As a result of concerted and constant efforts of the management, the Company has now achieved a complete turnaround and its bottom- and top-line results are quite strong now.

### 7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year under review.

### 8. BOARD OF DIRECTORS

#### a) Composition

- i) During the year under review, Mr. Vijay Maheshwari (holding DIN: 00216687) was appointed as an Additional Director (Non-executive, Independent Director) for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the approval of shareholders at the ensuing AGM.
- ii) As on date, Company has 5 Directors on Board with an Executive Chairman. Of the 5 Directors, 2 are Executive Directors and 3 are Non-Executive Directors, Independent Director including one Woman Director. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii) None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
- iv) Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b) Change in Director(s) and Key Managerial Personnel**

- i) In accordance with the provisions of section 152 of the Companies Act, 2013, and the Company's Articles of Association, Mr. Sanjay Aggarwal (DIN 00001788), Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his reappointment for the consideration of the members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Sanjay Aggarwal has been given in the Notice convening the Annual General Meeting.
- ii) The Board of Directors in their meeting held on 29.03.2019, appointed Mr. Vijay Maheshwari as an Additional Director. Pursuant to section 161 (1) of the Companies Act, 2013, he will hold office as Director up to the date of ensuing Annual General Meeting.

Mr. Vijay Maheshwari has given a declaration to the Company under section 149(6) of the Companies Act, 2013 that he qualifies the criteria of independence. Accordingly, it is proposed to appoint him as an independent Director not liable to rotation for a term of five years upto 31<sup>st</sup> March, 2024.

- iii) Further the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 29.03.2019 have recommended and approved the reappointment of Shri Vijay Bhushan, whose first term as Independent Director of the Company has been expired on 31<sup>st</sup> March 2019, and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. 1<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024, subject to the approval of members by way of special resolution at this ensuing Annual General Meeting of the Company.

In compliance with the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the independent directors of the Company viz. Mr. Vijay Bhushan, Mr. Vijay Maheshwari and Mrs. Malini Gupta hold office for a fixed term of five (5) years and are not liable to retire by rotation.

- iv) Shri SPS Dangi and Shri Satya Pal, Non-Executive Directors of the Company have attained the age of Seventy Five Years as on 31.03.2019 and in accordance with the Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, no person who has attained the age of Seventy five years shall continue the directorship as non-executive director of the Company, unless a special resolution is passed to that effect. Therefore, Shri SPS Dangi and Shri Satya Pal, Non-Executive Directors of the Company retired effective from 31<sup>st</sup> March 2019.

The Board of Directors places on record their appreciation for the enormous contribution made by Shri SPS Dangi and Shri Satya Pal. The Company and the Board benefitted immensely from their vast experience, knowledge and insights of the industry and operations of the Company.

The above proposals for appointment and re-appointment forms part of the notice of the 25th Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the directors proposed to be appointed/reappointed, the nature of expertise in specific functional areas, names of the companies in which they holds directorship(s) and membership/chairmanship of Board Committees, shareholding and relationships between directors inter-se, are forming part of the Notice of Annual General Meeting.

**c) Declaration by Independent Director**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

**9. KEY MANAGERIAL PERSONNEL**

Ms. Tannu Sharma, Company Secretary and Chief Compliance officer of the Company resigned from the services of the Company. The resignation was effective from the closing hours of 31<sup>st</sup> May 2019.

Consequent to Ms. Tannu Sharma's resignation, the Board appointed Ms. Rashi Goel as Company Secretary and Compliance officer of the Company. The appointment was effective from 1<sup>st</sup> June, 2019.

Mr. Sanjay Aggarwal, Chairman & CEO, Mr. Sandeep Aggarwal, Managing Director, Mr. Shambhu Kumar Agarwal, Chief Financial Officer and Ms. Rashi Goel, Company Secretary are the Key Managerial Personnel of your Company under the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 10. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year, 7 (Seven) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of these meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### 11. CHANGE IN CAPITAL STRUCTURE

During the year, the FCCB Committee of the Company has issued and allotted 11,881,500 Equity Shares of Face value of ₹ 2/- each, consequent upon conversion of outstanding Foreign Currency Convertible Bonds (FCCBs) to the outstanding FCCB Holders.

The Board of Directors of the Company has issued and allotted 17,000,000 Equity shares of face value of ₹ 2/- each to Promoters and entities forming part of the promoter group. Accordingly, the paid-up share capital of the Company has increased from 142,902,465 Equity shares of face value of ₹ 2/- each to 171,783,965 Equity shares of face value of ₹ 2/- each.

### 12. BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole and Board Committees.

The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The guidance note

issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors hereby confirm that:

- i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- ii) They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 on a 'going concern' basis;
- v) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) They had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 14. NOMINATION AND REMUNERATION POLICY

The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Specified in Part D of the Schedule II). The detailed Nomination & Remuneration Policy is also available on the website of the Company at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

## 15. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as Annexure 'A' which forms an integral part of this Report and is also available on the Company's website viz. [www.paramountcables.com](http://www.paramountcables.com).

## 16. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Your Company periodically assesses the risk in the internal and external environment, along with the cost of treating risk and incorporates risk treatment plans in its strategy, business and operational plans.

As per the requirements of Section 134(3)(n) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted a Risk Management Committee to oversee the risk management efforts in the Company. The details of the committee are set out in the Corporate Governance Report forming part of this report.

Some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this report.

## 17. PUBLIC DEPOSITS

During the financial year 2018-2019, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## 18. LISTING OF SHARES

The equity shares of the Company are listed at The BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The BSE & NSE have nation-wide trading terminals and therefore provide full liquidity to investors. Equity shares of the Company were also listed with the Calcutta Stock Exchange Ltd, however, the Company has applied for delisting on 03.03.2004 and the application is still pending for disposal at the exchange by the Calcutta Stock Exchange authorities.

## 19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there was no significant and material order passed by any Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and future operations of the Company.

## 20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its size and nature of business. This system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Board has appointed M/s Jagdish Chand & Co., Chartered Accountants as Internal Auditors of the Company for the financial year 2018-19 and its audit reports are submitted directly to the Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system.

## 21. INDUSTRIAL RELATIONS

Paramount is an equal opportunities employer. The Company do not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. We handle global preferences and mindsets of both internal and external customers.

The Company humbly acknowledges employee's contributions with best compensation and benefits that appropriately reward performance. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

During the period under review, your Company enjoyed healthy, cordial and harmonious relationship with workers and employees at all levels.

## 22. RELATED PARTY TRANSACTIONS

During the financial year, the Company has not entered into any materially significant related party contracts/arrangements or transactions with the Company's promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. All the contracts/arrangements or transactions entered into by the Company with Related party(ies) are in conformity with the provisions of the Companies Act, 2013 and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year 2018-2019, pursuant to Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions were placed before the Audit Committee

and also for the Board approval, wherever required. Prior/ omnibus approval of the Audit Committee is generally obtained for the transactions which are of a foreseen and repetitive nature and these transactions are reviewed by the Audit Committee on quarterly basis.

The policy on Related Party Transactions as approved by Board is available at the Company's website [www.paramountcables.com](http://www.paramountcables.com).

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is set out as "Annexure-B" to this report.

### 23. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances & to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at [www.paramountcables.com](http://www.paramountcables.com).

### 24. AUDITORS

#### a) Statutory Auditors:

On the basis of the recommendations of the Audit Committee, the Board of Directors of the Company has appointed P. Bholusaria & Co., Chartered Accountants (Firm Registration No.: 000468N) as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company, till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2022.

Your Company has received a certificate from M/s. P. Bholusaria & Co., Chartered Accountants confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

#### Statutory Auditor's Report

There is no qualification, reservation or adverse remark made by the Auditors in their Reports to the Financial Statements (both Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March, 2019.

#### b) Cost Auditors

As per Section 148 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. Jain Sharma & Associates, Cost Accountants as the Cost

Auditor of the Company for the financial year 2019-2020 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, would be ₹ 50,000/- (Rupees Fifty Thousand only) and out of pocket expenses, plus taxes. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The Company has received a letter from their firm to the effect that their re-appointment would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013.

#### c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Abhishek Mittal & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditor of the Company for the financial year 2018-2019 to undertake the Secretarial Audit of the Company.

#### Secretarial Audit Report

The Secretarial Audit report for financial year 2018-2019 forms an integral part of this Annual Report as "Annexure-C" to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### 25. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The provisions are not applicable to the Company. Hence, the Company is not required to make expenditure on CSR, and no CSR committee as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014, has been formulated.

### 26. LOANS, GUARANTEE(S) OR INVESTMENT(S)

During the year, your Company has duly complied with the provisions of section 186 of the Companies Act, 2013 and no loan and guarantee was granted by the Company under Section 186 of the Companies Act, 2013. The particulars of the investments made by the Company are given in the notes to the financial statements.

## 27. ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. As part of the legal responsibility and zero tolerance towards sexual harassment at the workplace, a policy for prevention of Sexual Harassment has been adopted by the Company.

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year, there was no complaint lodged with the Internal Complaint Committee, formed under "The Sexual Harassment of Women at Workplace.

## 28. DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ETC.

As required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the ratio of the remuneration of each director to the median employee's remuneration and such other details as prescribed therein are given in "Annexure-D", which is attached hereto and forms a part of the Directors' Report.

## 29. PARTICULARS OF EMPLOYEES

The Company is not required to make any disclosure under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as no employee is covered under the purview of the aforesaid Section/Rule.

## 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as "Annexure-E" and forms part of this Report.

The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

## 31. CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## 32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Report.

## 33. MEASURES TAKEN FOR REVIVAL AND REHABILITATION OF THE COMPANY

As stated above in this Report, the Company has taken various steps to revive and rehabilitate the Company by restructuring its borrowings, which reduced the interest liability substantially. Further, with a view to augment funds and to finance the working capital requirements of the Company and to support its future growth plans, the Promoters/Promoter Group have infused funds amounting to ₹ 25.94 Cr for strengthening the financial position of the Company, by way of issue of 17000000 Equity Shares on preferential basis.

The management is exploring possibilities of new investors in order to invest funds in the Company for modernization, expansion and strengthening the financial position of the Company. The Company has also taken several measures to reduce its cost.

As a result of concerted and constant efforts of the promoters, the Company is turning around gradually and its bottom line results are improving substantially.

## 34. ISO CERTIFICATION

The Company holds ISO 9001:2015 and ISO 14001:2015 certifications for both of its plants at Khushkhera, Rajasthan and Dharuhera, Haryana. In addition to this, the Company is certified by BASEC and LPCB for supply of its products in the European Market.

## 35. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive

information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

### 36. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/ behaviours of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website [www.paramountcables.com](http://www.paramountcables.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and designated employees in their business dealings and in particular on matters relating to integrity in the workplace, in business practice and in dealing with shareholders.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code.

### 37. INSURANCE

All insurable interest of the Company including inventories, buildings and plant & machinery are adequately insured.

### 38. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Neither the Managing Director nor the Whole Time Director of the Company receives any remuneration or commission from any of its subsidiaries.

### 39. ACKNOWLEDGEMENT AND APPRECIATION

Your Directors are thankful to the Central and State Government Departments, Organizations and Agencies for the continued guidance and co-operation extended by them.

The Directors wish to place on record their appreciation to all valuable stakeholders viz. customers, shareholders, dealers, vendors, Banks and other business associates for their support. The Directors also acknowledge the unstinted commitment and valued contribution of all employees of the Company.

For and on behalf of the Board  
**Paramount Communications Limited**  
**(Sanjay Aggarwal)**  
 Chairman & CEO

Place: New Delhi  
 Date: 14<sup>th</sup> August 2019

## Form MGT-9

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	: L74899DL1994PLC061295
ii)	Registration Date	: 5 <sup>th</sup> September, 1994
iii)	Name of the Company	: Paramount Communications Limited
iv)	Category/Sub-Category of the Company	: Company Limited by Shares
v)	Address of the Registered office and contact details	: C-125, Naraina Industrial Area, Phase-1, Naraina, New Delhi-110028 Tel No.: 011-45618800 E-mail: <a href="mailto:pcl@paramountcables.com">pcl@paramountcables.com</a>
vi)	Whether listed company	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Link Intime India Private Limited Noble Heights, 1 <sup>st</sup> Floor, Plot No. NH-2, C-1 Block, LSC, Janakpuri, New Delhi-110058 011-41410592/93/94

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are as follows:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Wires and Cables	85447000;85446090 85440000; 85444999 85444110&90011000	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Paramount Holdings Limited	204297	Subsidiary	100.00	2(87)(ii)
2.	AEI Power Cables Limited	07234061	Subsidiary	100.00	2(87)(ii)
3.	06196375 Cables Limited (formerly known as AEI Cables Limited)	06196375	Subsidiary	100.00	2(87)(ii)

- \*The management of Paramount Holdings Limited are taking steps to liquidate the Company in accordance with the applicable laws of the country.
- \*\*AEI Power Cables Limited, United Kingdom has ceased to trade and became dormant w.e.f. 1<sup>st</sup> April, 2017. The management of the Company intends to keep the company in existence, for use in foreseeable future, as and when required.



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	34600796	-	34600796	24.21	48673796	-	48673796	28.33	4.12
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	45809802	-	45809802	32.06	48736802	-	48736802	28.37	-3.69
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>80410598</b>	<b>-</b>	<b>80410598</b>	<b>56.27</b>	<b>97410598</b>	<b>-</b>	<b>97410598</b>	<b>56.71</b>	<b>0.43</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>80410598</b>	<b>-</b>	<b>80410598</b>	<b>56.27</b>	<b>97410598</b>	<b>-</b>	<b>97410598</b>	<b>56.71</b>	<b>0.43</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	6400	-	6400	0.00	-	-	-	-	0.00
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/FPI	261385	-	261385	0.18	2923126	-	2923126	1.70	1.52
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
j) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>267785</b>	<b>-</b>	<b>267785</b>	<b>0.19</b>	<b>2923126</b>	<b>-</b>	<b>2923126</b>	<b>1.70</b>	<b>1.52</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
Indian	15098061	15805	15113866	10.58	9101116	15205	9116321	5.31	-5.27
Overseas	89250	-	89250	0.06	6426050	-	6426050	3.74	3.68
b) Individuals									
1. Individual shareholders holding nominal share capital upto ₹ 1 Lakhs	25620358	1182744	26803102	18.76	25923397	1135565	27058962	15.75	-3.01
2. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	18956858	-	18956858	13.27	21928501	-	21928501	12.77	-0.5
c) NBFC Registered with RBI	-	-	-	-	900	-	900	0.00	-
d) Others (NRI Non Repat)	87143	-	87143	0.06	231335	-	231335	0.14	0.08

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
i) Trusts	1747	-	1747	0.00	1747	-	1747	0.00	-
ii) Non-Resident Indians	367154	-	367154	0.26	604445	-	604445	0.35	0.09
iii) Clearing Members	1026213	-	1026213	0.72	567518	-	567518	0.33	-0.39
iv) Hindu Undivided Family	4203079	-	4203079	2.94	5514462	-	5514462	3.20	0.26
<b>Sub-Total (B) (2)</b>	<b>65449863</b>	<b>1198549</b>	<b>66648412</b>	<b>46.64</b>	<b>70299471</b>	<b>1150770</b>	<b>71450241</b>	<b>41.59</b>	<b>-5.05</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>65717648</b>	<b>1198549</b>	<b>66916197</b>	<b>46.83</b>	<b>73222597</b>	<b>1150770</b>	<b>74373367</b>	<b>43.29</b>	<b>-3.54</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>141703916</b>	<b>1198549</b>	<b>142902465</b>	<b>100.00</b>	<b>170633195</b>	<b>1150770</b>	<b>171783965</b>	<b>100.00</b>	

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Sanjay Aggarwal	5826100	4.07	0	9342100	5.44	42.57	1.37
2.	Sandeep Aggarwal	5732300	4.01	0	9248300	5.38	38.02	1.37
3.	Kamla Aggarwal	5731600	4.01	0	7862855	4.58	27.11	0.57
4.	Shashi Aggarwal	8487800	5.93	0	9762800	5.68	76.34	(0.25)
5.	Archana Aggarwal	6595855	4.61	0	7862855	4.58	94.69	(0.03)
6.	Shyam Sunder Aggarwal (HUF)	42000	0.02	0	317000	0.18	86.75	0.16
7.	Sanjay Aggarwal (HUF)	700000	0.48	0	1512000	0.88	53.70	0.40
8.	Sandeep Aggarwal (HUF)	325000	0.22	0	1605745	0.93	79.76	0.71
9.	Parul Aggarwal	337766	0.23	0	337766	0.20	0	(0.03)
10.	Dhruv Aggarwal	274125	0.19	0	274125	0.16	0	(0.03)
11.	Tushar Aggarwal	274125	0.19	0	274125	0.16	0	(0.03)
12.	Parth Aggarwal	274125	0.19	0	274125	0.16	0	(0.03)
13.	Paramount Telecables Ltd.	28316500	19.81	0	31243500	18.19	0	(1.62)
14.	April Investment & Finance Pvt. Ltd.	13040172	9.12	0	13040172	7.59	98.04	(1.53)
15.	Worth Finance & Leasing Pvt. Ltd.	4424330	3.09	0	4424330	2.58	0	(0.51)
16.	Hertz Electricals (International) Pvt. Ltd.	18050	0.01	0	18050	0.01	0	0
17.	Ekta Ayat Niryat Pvt. Ltd.	10750	0.01	0	10750	0.01	0	0
<b>Total</b>		<b>80410598</b>	<b>56.26</b>	<b>0</b>	<b>97410598</b>	<b>56.71</b>	<b>40.73</b>	<b>0.45</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

Promoter's Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	80410598	56.27	97410598	56.71
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Increase in shares by way of Preferential allotment of 17,000,000 Equity Shares to Promoter and Promoter Group on 10 <sup>th</sup> July, 2018.			
At the end of the year	97410598	56.71	97410598	56.71

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Elara Capital PLC	89250	0.05	6426050	3.74
2.	Darpan Jain	5242840	3.05	5242840	3.05
3.	Mahesh Chand Goyal	3374580	1.96	3382780	1.97
4.	Nomura Singapore Ltd.	-	-	2823126	1.64
5.	Life Secured. Com Pvt. Ltd.	2093011	1.22	2008422	1.17
6.	Ashish Bhartkumar Shah	999000	0.58	1101231	0.64
7.	Ratnamani Food Products Pvt. Ltd.	905500	0.53	905500	0.53
8.	Naresh Kumar Gupta	653700	0.38	816561	0.48
9.	Sanjay Bansal	786673	0.46	786673	0.46
10.	Him Realty Private Limited	752631	0.44	752631	0.44
11.	Murline Enterprises Pvt. Ltd.	830000	0.48	585000	0.34
12.	Premier Capital and Securities Pvt. Ltd.	850000	0.49	0.00	0.00

## v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Sanjay Aggarwal	5826100	4.08	9342100	5.44
2.	Sandeep Aggarwal	5732300	4.01	9248300	5.38
<b>Total</b>		<b>11558400</b>	<b>8.09</b>	<b>18590400</b>	<b>10.82</b>

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	19,382.50	914.65	-	20,297.15
Interest due but not paid	37.68	-	-	37.68
Interest accrued but not due	16.55	-	-	16.55
<b>Total (i+ii+iii)</b>	<b>19,436.73</b>	<b>914.65</b>	<b>-</b>	<b>20,351.38</b>

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
Addition	1482.45	-	-	1482.45
Reduction	-	748.08	-	748.08
<b>Net Change</b>	<b>1482.45</b>	<b>(748.08)</b>	<b>-</b>	<b>734.37</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	20842.50	122.50	-	20965.00
Interest due but not paid	60.03	44.07	-	104.10
Interest accrued but not due	16.65	-	-	16.65
<b>Total (i+ii+iii)</b>	<b>20919.18</b>	<b>166.57</b>	<b>-</b>	<b>21085.75</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Sanjay Aggarwal (Whole Time Director)	Mr. Sandeep Aggarwal (Managing Director)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48.00	48.00	<b>96.00</b>
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	2.73	1.82	<b>4.55</b>
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit			
	- Other, specify....			
5.	Others:	-	-	-
	<b>Total (A)</b>	<b>50.73</b>	<b>49.82</b>	<b>100.55</b>

### B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S.P.S. Dangi	Mr. Satya Pal	Mr. Vijay Bhushan	Mrs. Malini Gupta	Total Amount
1.	<b>Independent Directors</b>					
	Fees for attending board/committee meetings	3.00	3.25	3.75	2.00	<b>12.00</b>
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>3.00</b>	<b>3.25</b>	<b>3.75</b>	<b>2.00</b>	<b>12.00</b>
2.	<b>Other Non-Executive Directors</b>	-	-	-	-	-
	Fees for attending board/committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Other, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>3.00</b>	<b>3.25</b>	<b>3.75</b>	<b>2.00</b>	<b>12.00</b>

**C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Shambhu Kumar Agarwal (Chief Financial Officer)	Ms. Tannu Sharma (Company Secretary)	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	27.17	7.03	34.20
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of profit			
	- Others, specify			
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>27.17</b>	<b>7.03</b>	<b>34.20</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES- NOT APPLICABLE**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**Form No. AOC-2**

(Pursuant to Clause (h) of Sub Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm’s length basis.

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2019, which were not at arm’s length basis.

2. Details of material contracts or arrangement or transactions at arm’s length basis.

The details of material contracts or arrangement or transactions at arm’s length basis for the year ended 31<sup>st</sup> March, 2019 are as follows:

Name of Related Party	Nature of Relationship	Duration of Contracts/ Arrangements/Transactions	Salient terms	Amount (₹ in Lakhs)
<b>Rent Paid</b>				
Paramount Telecables Limited	Common Control	1 <sup>st</sup> April, 2018- 31 <sup>st</sup> March, 2019	As per the Agreement	221.67

**Form No. MR-3**

Annexure-C

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,

**PARAMOUNT COMMUNICATIONS LIMITED**

(CIN: L74899DL1994PLC061295)

C-125, NARAINA INDUSTRIAL AREA,  
PHASE-1, NEW DELHI - 110028

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Paramount Communications Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as shown to us and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our knowledge and understanding, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** ("Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019, and as shown to us, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [**Applicable only to the extent of Foreign Direct Investment, Overseas Direct Investment**];

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10<sup>th</sup> November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11<sup>th</sup> November, 2018)
  - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) The Management of the Company has confirmed that the Company has complied with all the applicable Pollution Laws.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

During the period under review, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis and as per the clarifications given, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31<sup>st</sup> March, 2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice was given to all directors to schedule the Board Meetings at least seven days in advance. Agenda and

detailed notes on agenda were generally sent in advance. There exist a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

- As informed by the management and on the basis of signed Minutes of Board Meeting, it is apparent that all the decisions were carried through unanimous consensus and there were no dissenting members' views and hence, no recording was done in this regard as part of the minutes.

We further report that based on review of compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary and taken on record by the Board of Directors, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report, to the best of our knowledge and understanding, that during the audit period, there were no specific events/actions except the following having a major bearing on the Company's

Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

1. 1,70,00,000 equity shares were issued and allotted to the Promoters/Promoter Group on preferential basis.
2. 1,18,81,500 equity shares were issued and allotted upon conversion of outstanding FCCBs.

We further report that the compliance by the Company of applicable labour laws and financial laws, like direct and indirect tax laws and financial accounts, has not been reviewed in this Audit since the same has been subject to review by statutory financial audit and other designated professionals.

This report is to be read with our letter of even date which is annexed as **Annexure "A"** and forms an integral part of this Report.

For **Abhishek Mittal & Associates**  
**(CS Abhishek Mittal)**

Place: New Delhi  
Date : 13.08.2019

Practising Company Secretary  
M. No. : F7273 C. P. No. : 7943



## "ANNEXURE A"

To,

The Members,

**PARAMOUNT COMMUNICATIONS LIMITED**

(CIN: L74899DL1994PLC061295)

C-125, NARAINA INDUSTRIAL AREA,

PHASE-1, NEW DELHI - 110028

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, taxation compliance and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. For the purpose of our Secretarial Audit, we have assumed that all of the documents shown and/ or submitted to us as copies are in conformity with the originals and all documents shown and/ or submitted to us as originals are genuine and authentic. We have also relied upon the verbal or written statements of officers and other representatives of the Company. We have assumed that all relevant documents and information have been shown and/ or provided to us and the conclusions set out therein clarify that no further documents and / or information exists that may have been withheld and / or not made available and/ or shown to us. While conducting the audit, reliance has been placed on the information, documents and undertakings shown and/ or submitted to us by the Company and our Secretarial Audit Report is entirely based on the same.
8. We have not carried out any search at any public office including the office of Registrar of Companies for the purposes of our review. We have not conducted any site visit in relation to the properties and manufacturing facilities of the Company. We express no opinion as to the title of the Company in relation to its immovable properties.
9. We have not conducted Secretarial Audit on the core financial, taxation and labour aspects of the Company including liabilities, rights and obligations of the Company in relation to the applicable taxes.
10. Depending upon the requirement, we have applied substantive and test check procedures while reviewing the information supplied by the Company. This review is confined to and is limited to the business of the Company and to the extent of the information furnished to us by the Company. In preparing this Report, we have limited our enquiries to matters of a legal nature and accordingly we express no opinion on any other matters including marketing, purchasing, logistics, manufacturing, maintenance, engineering, operations, technical, brand analysis, commercial or financial information or issues and accounts of the Company relating to or otherwise.
11. Our review of regulatory licences and approvals is limited to documents which have been shown to us. We do not claim to be experts in the line of the specific business/industry, which is the subject matter of our Secretarial Audit Report.
12. We express no comment/opinion/observation as to matters governed by any law other than the laws of India. Our Secretarial Audit Report is based on the laws of India as such laws stand at the date hereof.
13. Abhishek Mittal & Associates, its partners, associates, employees or staff, shall not be held responsible or held liable in the event of any loss and/or damage suffered by the addressees of this Secretarial Audit Report or prospective investors of the Company or any third party, as a result of placing reliance on the contents of this Secretarial Audit Report and or on any written or verbal representation(s) of the Company or its officers not in fact being correct or genuine.

For **Abhishek Mittal & Associates**  
(CS Abhishek Mittal)

Place : New Delhi  
Date : 13.08.2019

Practising Company Secretary  
M. No. : F7273 C. P. No. : 7943

## Annexure-D

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- A. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (₹ in Lakhs)	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Sanjay Aggarwal (Whole Time Director)	58.40	18%	14.04
2.	Mr. Sandeep Aggarwal (Managing Director)	57.64	18%	13.86
3.	Mr. Shambhu Kumar Aggarwal (Chief Financial Officer)	27.71	12%	6.66
4.	Ms. Tannu Sharma (Company Secretary)	7.52	11%	1.81

- B. There were 295 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019.
- C. The explanation on the relationship between average increase in remuneration and Company performance: The Key Performance Indicators (KPI) are set for each year with the main focus on Order Bookings, Revenues, Profits, etc. which are keenly monitored and measured against the set targets.
- D. Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2018-2019 was approximately 10%.
- E. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee.
- F. The ratio of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: The Chairman & CEO is the highest paid Director. No employee received remuneration higher than the Chairman & CEO.
- G. It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2019 is as per the Remuneration Policy of the Company.

# Annexure E to The Directors' Report

The information of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

## A. CONSERVATION OF ENERGY:

In view of the measures already taken in earlier years no fresh measure were required to be taken during the year under review; however power consumption is continuously being monitored and controlled.

## B. TECHNOLOGY ABSORPTION:

### I. Research and Development (R&D)

R & D expenditure has not been accounted for separately.

### II. Technology Absorption, Adaptation and Innovation

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company, with its long experience in the cable industry, has been a leader in cable technology. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis as per the requirements of domestic and international markets. The technology being used for manufacturing cables is developed by in-house efforts and is at par with the industry norms.

#### 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

Upliftment of facilities, proper resource utilization, lesser scrap/wastage generation, better preventive maintenance, lesser breaks down & enhancement of productivity & morale of work force improved Plant housekeeping & tidiness.

### III. Foreign Exchange Earnings and Outgo

Total Foreign exchange used and earned

Earnings : ₹ 1435.98 Lakhs

Outgo : ₹ 3373.06 Lakhs

Place: New Delhi  
Date: 14<sup>th</sup> August 2019

For and on behalf of the Board  
**(Sanjay Aggarwal)**  
Chairman & CEO

# Corporate Governance Report

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 is presented below:

## 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its shareholders. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all its stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming leader in Power Cable Industry. The Company has complied with all the regulations stipulated by the Securities and Exchange Board of India (SEBI) in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. This report, along with the Management Discussion and Analysis, constitutes Paramount's compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 2. BOARD OF DIRECTORS

### ➤ Composition of the Board

- (i) The Company has 5 Directors with an Executive Chairman. Of the 5 Directors, 2 are Executive Directors and 3 are Non-Executive-Independent Directors,

including one Woman Director. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (ii) None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed Companies in which he is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on 31<sup>st</sup> March, 2019 have been made by all the Directors.
- (iii) The names and categories of the Directors on the Board, and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies are given below. Other Directorships do not include Directorships of Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. Chairmanship / Membership of Board Committees include only Audit Committee and Stakeholders'/Investor Grievance Committee.
- (iv) None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies. In terms of the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume and the profile of director seeking appointment/reappointment is annexed with the Notice for the ensuing Annual General Meeting.

➤ **Key Board qualifications, skills, expertise and attributes**

In the context of Company's business and activities, the Company requires skills/expertize/competencies in the areas of Finance, Capital Market, Economics, Experience in cable Industry, Risk and Governance, Human Resource and Reality, Business Leadership, General Corporate Management, Entrepreneurship and allied fields. The Company's Board is consist of eminent persons with considerable professional expertise and experience that allows them to make effective contribution to the Board and its committees.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for it to function effectively; and the Board's actions and decisions are aligned with the Company's best interests.

➤ **Details of Directors as on 31<sup>st</sup> March, 2019, their attendance at the Board Meetings and Annual General Meeting during the Financial Year ended 31<sup>st</sup> March, 2019 and number of other Board of Directors or Committees in which Director is a Member or Chairperson are given below:**

**EXECUTIVE PROMOTER DIRECTORS**

Name of the Director and Current Designation	Date of appointment as Director	Relationship with other Directors	Director Identification Number (DIN)
Mr. Sanjay Aggarwal (Chairman & CEO)	01/11/1994	Brother of Mr. Sandeep Aggarwal	00001788
Mr. Sandeep Aggarwal (Managing Director)	01/11/1994	Brother of Mr. Sanjay Aggarwal	00002646

None of the other Directors are related to any other Director on the Board

**NON-EXECUTIVE INDEPENDENT DIRECTORS**

Name of the Director	Date of appointment	Relationship with other Directors	Director Identification Number (DIN)
Mr. S.P.S. Dangi	08/11/1994	None	00236827
Mr. Satya Pal	08/11/1994	None	00287845
Mr. Vijay Bhushan	22/07/2000	None	00002421
Mrs. Malini Gupta	30/01/2015	None	03464410
Mr. Vijay Maheshwari	01/04/2019	None	00216687

None of the Non-Executive Director holds any share/convertible instrument in the Company.

**Notes:**

1. Sh. SPS Dangi and Sh. Satya Pal, Non Executive Directors, retired from the Board of the Company with effect from 31.03.2019.
2. The Board of Directors at its meeting held on 29<sup>th</sup> March, 2019 had appointed Mr. Vijay Maheshwari as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.

➤ **Directors' attendance record and Directorships held**

During the financial year 2018-19 agenda of the Board / Committee meeting(s) with proper explanatory notes to agenda was prepared and circulated well in advance to all the Board / Committee members. The Board also reviewed periodical compliances of all applicable Acts, Law(s) / Rule(s) and Regulation(s) during the financial year 2018-19.

During the year ended 31<sup>st</sup> March, 2019, 7 (Seven) Board meetings were held. The details are as follows:

Sl. No.	Date of Board Meeting	Board Strength	Total Number of directors Present	Number of independent directors Present
1.	28 <sup>th</sup> April, 2018	6	6	4
2.	9 <sup>th</sup> May, 2018	6	5	4
3.	10 <sup>th</sup> July, 2018	6	5	3
4.	4 <sup>th</sup> August, 2018	6	6	4
5.	1 <sup>st</sup> November, 2018	6	6	4
6.	1 <sup>st</sup> February, 2019	6	6	4
7.	29 <sup>th</sup> March, 2019	6	6	4

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2018, along with the number of other Directorships/Committee positions held by them in other Indian Public Limited companies during the year, are as follows:

Name of the Director	Board meetings attended during FY2018-19	Attendance at the last AGM	No. of Director-ships held in other companies*	Committee position held in other companies**		List of Directorship held in other listed Companies and category of Directorship
				Chairperson	Member	
Mr. Sanjay Aggarwal	7	Yes	0	0	0	-
Mr. Sandeep Aggarwal	7	Yes	0	0	0	-
Mr. S.P.S. Dangi	6	Yes	0	0	0	-
Mr. Satya Pal	7	No	0	0	0	-
Mr. Vijay Bhushan	7	No	4	1	1	KEI Industries Limited (Non-Executive, Independent Director) Bharat Bhushan Finance & Commodity Brokers Limited (Non-Executive, Non Independent Director)
Mrs. Malini Gupta	7	No	0	0	0	-
Mr. Vijay Maheshwari	NA	NA	1	0	0	Sumedha Fiscal Services Limited (Non-Executive Director)

\*Excludes directorship in Paramount Communications Limited. Also excludes directorship in Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

\*\*Only two committees viz. Audit Committee and Stakeholders'/Investors' Grievance Committee are considered.

None of the Director was a member of more than 10 committees or chairperson of more than 5 committees, across all companies in which he/she serves as a director.

#### ➤ Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

#### ➤ Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2018-2019:

Aggregate value of salary, perquisites and commission paid during the financial year 2018-19 to the executive directors (Key Managerial Personnel) are as follows:

Name	Salary, perquisites and Defined Benefit Plan	Company's Contribution to P.F.	Sitting Fees	(Amount in ₹)	
				Total	
Mr. Sanjay Aggarwal	5,263,739	576,000	Nil	5,839,739	
Mr. Sandeep Aggarwal	5,187,719	576,000	Nil	5,763,719	

#### ➤ Compensation and Disclosures of Non-Executive Directors

The Non-executive Directors are paid a sitting fee at the rate of ₹25,000/- (Rupees Twenty Five Thousand Only) per meeting. The independent directors are also paid a lump sum for conveyance and out of pocket expenses at the rate of ₹8,000/- (Rupees Eight Thousand Only), for each committee meeting or meeting of the Board of Directors attended by them.

The details of sitting fee paid to the directors for attending the Board and Committee meetings for the year ended 31<sup>st</sup> March, 2019 are as follows:

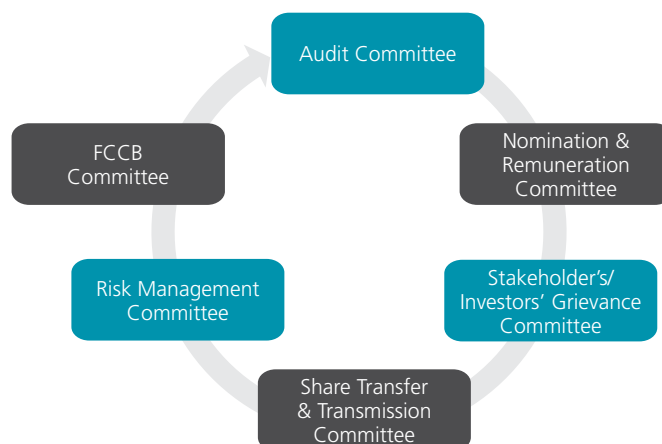
		(Amount in ₹)
Name of the Director	Sitting Fee paid	
1. Mr. S.P.S Dangi		3,00,000
2. Mr. Satya Pal		3,25,000
3. Mr. Vijay Bhushan		3,75,000
4. Mrs. Malini Gupta		200,000

The Board of Directors in their meeting held on 04.05.2019, revised the amount of sitting fees paid to Non-Executive Directors from ₹ 25,000/- to ₹ 60,000/- for all Board and Committee meetings attended.

- **Number of shares held by Non- Executive Directors**  
None of the Non-Executive Directors holds any share of the Company in their individual capacity.
- **Code of Conduct**  
The Board of Directors of the Company has laid down a code of conduct for all Board members and senior management personnel of the Company. All the directors and senior management personnel have affirmed compliance with this code for the year ended 31<sup>st</sup> March, 2019. The Code of conduct has been posted on the website of the Company viz. [www.paramountcables.com](http://www.paramountcables.com). A declaration of compliance of this code, duly signed by the Chairman & CEO, is annexed as Annexure-A to this report.
- **Web Link where details of Familiarization Programmes imparted to Independent Directors is disclosed**  
The details regarding Familiarization Programmes imparted to Independent Directors of the Company are given on the website of the Company at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

### 3. BOARD COMMITTEES

The Board has established six Committees to discharge its responsibilities in an effective manner, and they meet as often as required. These committees are as follows:



The role and composition of the above committees, including the number of meetings held during the financial year ended on 31<sup>st</sup> March, 2019, and attendance of Directors thereat, are given hereunder.

#### (a) AUDIT COMMITTEE

##### Qualified and Independent Audit Committee

The Board has constituted an Audit committee, comprising of three independent non-executive directors. All members of the Audit Committee possess financial and accounting expertise and exposure. Mr. S.P.S. Dangi Chairman of the Committee is a well known Finance & Management Consultant. He is a fellow member of the Institute of Cost Accountants of India (ICMAI) and has expertise in accounting & finance matters. Mr. S.P.S. Dangi was present at the last Annual General Meeting of the Company held on 21<sup>st</sup> September, 2018. Ms. Tannu Sharma, Company Secretary of the Company acts as the Secretary of the Committee.

The attendance of the members at the Audit Committee Meetings held during the financial year under reporting are as under:

Name of the Director	Category of Directorship	No. of Meetings attended
Mr. S. P. S. Dangi	Non-executive Independent Director	04
Mr. Satya Pal	Non-executive Independent Director	04
Mr. Vijay Bhushan	Non-executive Independent Director	04
Mr. Vijay Maheshwari	Non-executive Independent Director	NA
Ms. Malini Gupta	Non-executive Independent Director	NA

### Meetings of Audit Committee held during the financial year 2018-19

During the financial year ended on 31<sup>st</sup> March, 2019, four meetings of the Audit Committee were held. The composition of Audit Committee, date on which the meetings were held and attendance of Directors at the above meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings			
		9 <sup>th</sup> May, 2018	4 <sup>th</sup> August, 2018	1 <sup>st</sup> November, 2018	1 <sup>st</sup> February, 2019
Mr. S. P. S. Dangi	Chairman	√	√	√	√
Mr. Satya Pal	Member	√	√	√	√
Mr. Vijay Bhushan	Member	√	√	√	√
Mr. Vijay Maheshwari	Member	NA	NA	NA	NA
Ms. Malini Gupta	Member	NA	NA	NA	NA

#### **Notes:**

- Due to change in Composition of Board of Directors, the Board has reconstituted the Audit Committee with effect from 01.04.2019.
- Mr. S.P.S. Dangi and Mr. Satya Pal retired from the Board of the Company with effect from 31.03.2019.
- The Board of Directors at its meeting held on 29<sup>th</sup> March, 2019 had appointed Mr. Vijay Maheshwari as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.
- Ms. Malini Gupta had been elected as member of the Committee with effect from 01.04.2019.
- Ms. Tannu Sharma has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.
- In addition to the above, the Committee meetings were also attended by the Statutory Auditors and other Executive(s) of the Company as and when required.
- Proper quorum was present at the afore mentioned meetings of the Audit Committee.

#### **Powers of Audit Committee**

The audit committee of the Company is vested with the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Role of Audit committee**

The Terms of reference/role stipulated by the Board for the Audit Committee are in consonance with Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Section 177 of the Companies Act, 2013.

#### **Review of information by Audit Committee**

The audit committee reviews the following information:

- Management Discussion and Analysis of the Company's financial condition and results of operations.
- Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal Audit Reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the internal auditors.

#### **Terms of reference of Audit Committee**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments (if any);
- Valuation of undertakings or assets of the company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.



**(b) STAKEHOLDERS' RELATIONSHIP/INVESTOR'S GRIEVANCE COMMITTEE**

The Stakeholders' Relationship/Investors' Grievance Committee comprises of Mr. Vijay Bhushan, Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal. Mr. Vijay Bhushan, non-executive and independent director is the Chairman of the Committee.

The Committee, inter alia, overlooks:

- issue of duplicate share certificates;
- revalidation of dividend warrants;
- investigates and redresses shareholders' complaints like non receipt of Annual Report/ Balance Sheet, non receipt of declared dividends, etc;
- oversees and reviews all matters connected with the delay in transfer of securities;
- oversees the performance of the Registrar and Share Transfer Agents and
- recommend measures for overall improvement in the quality of investor services.

The Board has delegated the power of approving transfer of shares to the Share Transfer & Transmission Committee. The Stakeholder's and Investors' Grievance Committee of the Company meets as and when necessary to review the transfer effected by the Share Transfer and Transmission Committee of the Company. The Committee meets atleast once in a year to review the overall status of the requests/complaints received during the year. During the year under review the Board has designated Ms. Tannu Sharma, Company Secretary as the Secretary of the Committee.

**Meetings**

During the financial year ended on 31<sup>st</sup> March, 2019, one meeting of the Stakeholders' Relationship/Investors' Grievance Committee was held. The composition of Stakeholders' Relationship/Investors' Grievance Committee and attendance of Directors at the above meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meeting 9 <sup>th</sup> May, 2018
Mr. Vijay Bhushan	Chairman	√
Mr. Sanjay Aggarwal	Member	√
Mr. Sandeep Aggarwal	Member	√
Ms. Malini Gupta	Member	NA

No investor complaints were received during the year under review. The requests for change of address and transmission of shares were received during the year, and both were replied to the satisfaction of the shareholders. There were no outstanding complaints/requests as on 31.03.2019.

The Company has designated an e-mail id investors@paramountcables.com exclusively for the purpose of receiving investors' queries and complaints so that they can be attended promptly.

**Notes:**

- 1) Ms. Tannu Sharma has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- 2) Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.
- 3) Ms. Malini Gupta has been appointed as Chairperson of the Committee with effect from 01.04.2019

**(c) NOMINATION & REMUNERATION COMMITTEE**

The Board has constituted a Nomination & Remuneration Committee, comprising of three independent non-executive directors viz. Mr. Satya Pal - Chairman of the Committee, Mr. S.P.S. Dangi and Mr. Vijay Bhushan. Meeting of the Nomination & Remuneration Committee are held as and when required to fix, review/revise or modify the remuneration of the executive directors. During the year under review Ms. Tannu Sharma, Company Secretary acts as the Secretary of the Committee.

One meeting of the Nomination & Remuneration Committee was held during the period under review and attendance of Directors at the meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings 29 <sup>th</sup> March, 2019
Mr. Satya Pal	Chairman	√
Mr. SPS Dangi	Member	√
Mr. Vijay Bhushan	Member	√

**Note:**

- 1) Due to change in Composition of Board of Directors, the Board has reconstituted the Nomination and Remuneration Committee with effect from 01.04.2019.
- 2) Mr. S.P.S. Dangi and Mr. Satya Pal retired from the Board of the Company with effect from 31.03.2019.
- 3) The Board of Directors at its meeting held on 29<sup>th</sup> March, 2019 had appointed Mr. Vijay Maheshwari as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.

- 4) Ms. Malini Gupta had been elected as member of the Committee with effect from 01.04.2019.
- 5) Ms. Tannu Sharma has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- 6) Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.

**The Terms of reference are as follows:**

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and to recommend to the Board their appointment and removal;
- To carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**Further, the Nomination and Remuneration Committee also ensures that—**

1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**Performance Evaluation criteria for Independent Directors:**

The performance evaluation of all the Directors for the financial year 2018-19, was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board.

The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the director being evaluated).

**(d) SHARE TRANSFER AND TRANSMISSION COMMITTEE**

The Share Transfer & Transmission Committee is constituted by the Company specifically for making the share transfer process smooth and speedy. The committee meets

periodically to approve share transfers/transmissions etc. All the transfer/transmission affected by Share Transfer & Transmission Committee are placed before & reviewed by the Stakeholders' Relationship/Investors' Grievance Committee. Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, are the members of the Committee.

One meeting of the Share Transfer and Transmission Committee was held during the period under review and attendance of Directors at the meetings is as follows

Name of the Director	Position in the Committee	Presence of directors at the meetings
		29 <sup>th</sup> March, 2019
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

There were no outstanding complaints/requests and no transfer was pending as on 31<sup>st</sup> March, 2019.

**(e) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee has been constituted by the company to analyze/monitor Foreign Exchange risk, forecast the risk involved in forward and option contract/derivatives transactions, to take necessary steps in order to minimize risk on account of foreign currency rate fluctuation and to deal with other incidental matters. The committee consists of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal. Ms. Tannu Sharma acts as the Secretary to the Committee.

One meeting of the Risk Management Committee was held during the period under review and attendance of members at the meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings
		29 <sup>th</sup> March, 2019
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

1) Ms. Tannu has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.

2) Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.

**(f) FCCB COMMITTEE**

The FCCB Committee was constituted by the Board of Directors in the Board Meeting held on 30<sup>th</sup> December, 2018, to analyze/monitor the status of US\$7.5 Million

FCCBs and to take necessary steps in order to settle the Outstanding FCCB holders and take all necessary action as may be ancillary or incidental thereto. The committee consists of Mr. Sanjay Aggarwal, Mr. Sandeep Aggarwal and Mr. Vijay Bhushan. Ms. Tannu Sharma acts as the Secretary to the Committee.

One meeting of the FCCB Committee was held during the period under review and attendance of members at the meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings
		16 <sup>th</sup> July, 2018
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√
Mr. Vijay Bhushan	Member	√

The Committee has been dissolved with effect from 29.03.2019

#### g) MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet as and when required, and at least once in every financial year. Such meeting of the Independent Directors is held without any intervention of the Executive directors and other management personnel of the Company. All the information sought by the Independent Directors for such meeting is duly provided to them for perusal. One meeting of Independent director was held during the year:

Name of the Director	Presence of directors at the meeting
	1 <sup>st</sup> February, 2019
Mr. Satya Pal	√
Mr. SPS Dangi	√
Mr. Vijay Bhushan	√
Mrs. Malini Gupta	√

#### 4. GENERAL MEETINGS

Details of date, time and venue of the last three Annual General Meetings are as under:

Date & Time	21 <sup>st</sup> September, 2018 at 11.30. A.M	17 <sup>th</sup> August, 2017 at 11.00. A.M	27 <sup>th</sup> September, 2016 at 11.30. A.M
Financial year	2017-2018	2016-2017	2015-2016
Venue	Air Force Auditorium, NH 48, Subroto Park, New Delhi-110010	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.
Special Resolution(s) Passed	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakhs in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2018-2019.	Redemption of 765,000 Non-convertible Redeemable Preference Shares of face value ₹100/- ("NCRPS") at a price of ₹121.25 per NCRPS (including a premium of ₹21.25/- per NCRPS) out of the fresh issue of 17,669,000 Equity Shares of the Company of face value ₹2/- each at a price of ₹ 5.25/- by way of preferential allotment to the holders of NCRPS  Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakhs in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2017-2018.	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakhs in one Financial year; To approve related party transaction not exceeding ₹ 200 Cr in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2016-2017.

## 5. POSTAL BALLOT

During the financial year ended 31<sup>st</sup> March, 2019, following resolutions were passed by way of postal ballot for seeking approval of members:

### Postal Ballot in April 2018

Sr No.	Description of Resolution	Date of Declaration of Result
1.	Special Resolution for Re-appointment of Sh. Sanjay Aggarwal as Whole Time Director, to be designated as Chairman & CEO of the Company	20.04.2018
2.	Special Resolution for Re-appointment of Sh. Sandeep Aggarwal as Managing Director of the Company	
3.	Special Resolution for Amendment to the terms and conditions of the outstanding Foreign Currency Convertible Bonds (FCCBs) of face value aggregating US\$7.50 Million	

The said resolutions were passed through Postal Ballot and Shareholders of the Company were provided e-Voting facility for casting their votes electronically on the said resolutions.

### Voting Pattern and Procedure for Postal Ballot:

- i) The Board of Directors of the Company vide resolution passed by the Board of Directors at their meeting held on 8<sup>th</sup> March, 2018, had appointed Mr. Abhishek Mittal, Proprietor of M/s Abhishek Mittal & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 8<sup>th</sup> March, 2018 together with the Explanatory Statement on 19<sup>th</sup> March, 2018, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 9<sup>th</sup> March, 2018.
- iii) The voting under the postal ballot was kept open from 20<sup>th</sup> March, 2018 (from 9.00 a.m.) to 18<sup>th</sup> April, 2018 (upto 5.00 p.m.) (either physically or through electronic mode)
- iv) Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- v) The postal ballot forms were kept under safe custody of the scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the closure of working hours on 18<sup>th</sup> April, 2018 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) Envelopes containing postal ballot forms received after closure of working hours on 18<sup>th</sup> April, 2018 had not been considered for his scrutiny.
- viii) On 20<sup>th</sup> April, 2018, Mr. Sanjay Aggarwal, Chairman & CEO announced the following results of the postal ballot as per the Scrutinizer's Report:

### Details of Agenda

1. Re-appointment of Sh. Sanjay Aggarwal as Whole Time Director, to be designated as Chairman & CEO of the Company:

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	36,06,705	36,04,710	99.94	1995	00.06

2. Re-appointment of Sh. Sandeep Aggarwal as Managing Director of the Company:

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	36,06,605	36,04,716	99.94	1889	00.06

3. Amendment to the terms and conditions of the outstanding Foreign Currency Convertible Bonds ( FCCBs) of face value aggregating US\$ 7.50 Million

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	8,39,53,562	8,39,51,678	99.99	1884	00.01

#### Postal Ballot in June 2018

Sr No.	Description of Resolution	Date of Declaration of Result
1.	Issue of Equity shares to Promoters and Promoter Group Entities on Preferential basis	05.06.2018

The said resolution was passed through Postal Ballot and Shareholders of the Company were provided e-Voting facility for casting their votes electronically on the said resolutions.

#### Voting Pattern and Procedure for Postal Ballot:

- i) The Board of Directors of the Company vide resolution passed by the Board of Directors at their meeting held on 28<sup>th</sup> April, 2018, had appointed Mr. Abhishek Mittal, Proprietor of M/s Abhishek Mittal & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 28<sup>th</sup> April, 2018 together with the Explanatory Statement on 4<sup>th</sup> May, 2018, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 9<sup>th</sup> March, 2018.
- iii) The voting under the postal ballot was kept open from 5<sup>th</sup> May, 2018 (from 9.00 a.m.) to 3<sup>rd</sup> June, 2018 (upto 5.00 p.m.) (either physically or through electronic mode)
- iv) Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- v) The postal ballot forms were kept under safe custody of the scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the closure of working hours on 3<sup>rd</sup> June 2018 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) Envelopes containing postal ballot forms received after closure of working hours on 3<sup>rd</sup> June 2018 had not been considered for his scrutiny.
- viii) On 5<sup>th</sup> June, 2018, Mr. Sanjay Aggarwal, Chairman & CEO announced the following results of the postal ballot as per the Scrutinizer's Report:

#### Details of Agenda

1. Issue of Equity shares to Promoter and Promoter Group entities on Preferential Basis

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	3,718,759	36,62,021	98.47	56,738	01.53

## 6. DISCLOSURES

- i. **Disclosures on materially significant related party transactions i.e. transaction of the Company of material nature with its promoters, the directors or the management, subsidiary, or the relatives of the directors, etc. that may have potential conflict with the interest of the Company at large.**

Members may refer to the disclosures of transactions with the related parties as given under Note no. 43 of the notes to accounts. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with Related Party Transactions.

All the transactions which have taken place with the related parties during the year under review, were duly approved by the Audit Committee, and were entered into on the basis of arm's length prices prevailing in the market.

**ii. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to the capital markets, during the last three year(s)**

The Company has generally complied with the requirements of the regulatory authorities in capital markets. There have been no instances of non-compliance by the Company on any matters related to the capital markets during the last three years except that the Board Meeting for approval of unaudited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2017 could not be held within the time stipulated under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, due to technical failure in implementation of upgraded ERP in the Company. The penalty imposed on the Company by the Stock Exchanges for the aforesaid non-compliance have been duly paid.

**iii. Details of Establishment of Vigil Mechanism/Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has established a Vigil Mechanism / Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Directors and Employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

During the year under review, no Director or Employee has been denied access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company and is available at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

**iv. Audit and Internal Checks and balances**

M/s Jagdish Chand & Co, Chartered Accountants, have been appointed as the Internal Auditors, for an independent check on the internal control, systems and procedures adopted by the Company.

**v. Familiarization Programs**

In order to comply with the provisions of the SEBI regulations, and for the purpose of making the Board familiar with the latest developments in the Corporate laws, or other applicable laws, deliberations were held and presentations were made from time to time on major developments in the areas of

the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**vi. Related Party Transactions**

All transactions with related parties were in the ordinary course of business and on arm's length pricing basis. The Company has framed and adopted a policy for dealing with Related Party Transactions, in accordance with the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The same is available on the Company's website at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

**vii. Compliance with the code of Corporate Governance.**

The Company regularly complies with the mandatory requirements of the code of Corporate Governance.

**viii. Subsidiary Companies**

The Company does not have any Indian subsidiary company. However, the Company has the following direct wholly owned subsidiaries located outside India:

- a. \*Paramount Holdings Limited, incorporated under the laws of Cyprus;
- b. \*\*AEI Power Cables Limited, incorporated under the laws of England and Wales;
- c. 06196375 Cables Limited (formerly known as AEI Cables Limited), which was a subsidiary company, is "in Administration" (as per UK Laws) w.e.f 28<sup>th</sup> February, 2014.

**ix. Total Fees Paid to Statutory Auditors**

The Company has paid a Total fees of ₹ 18,00,000/- to Statutory Auditors i.e. P. Bholusaria & Co., in the year FY 2018-19

**Note:**

- 1) \*The management of Paramount Holdings Limited are taking steps to liquidate the Company in accordance with the applicable laws of the country.
- 2) \*\*AEI Power Cables Limited, United Kingdom has ceased to trade and became dormant w.e.f. 1<sup>st</sup> April, 2017. The management of the Company intends to keep the company in existence, for use in foreseeable future, as and when required.

**ix. CEO/CFO Certification**

The Chairman & CEO and CFO of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17 (8) and Part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is annexed hereto as **Annexure B**.

**x. Reconciliation of Share Capital Audit Report**

A qualified Practicing Company Secretary carries out a quarterly reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and certify the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of shares held in dematerialized form with NSDL and CDSL.

**xi. Insider Trading Code**

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

**7. MEANS OF COMMUNICATION**

The Board recognizes the importance of transparency in communicating with stakeholders and promotes two-way communications. The various means of communication adopted by the Company are as follows:

**Financial results**

The quarterly and annual financial results of the Company are published in 'Jansatta' (Hindi newspaper) and Financial Express (English newspaper). The up-to date results are also available on the website of the Company, i.e. [www.paramountcables.com](http://www.paramountcables.com), and portals of the Stock Exchanges where the Company's shares are listed

**Company's Website**

Important shareholders' information such as Annual Report of the company, important policies, quarterly results, shareholding patterns etc are displayed on the website of the Company, i.e. [www.paramountcables.com](http://www.paramountcables.com)

**Annual Report**

The Annual Report of the company, giving a detailed insight on the working of the Company, practices followed, etc., is sent to all shareholders at their registered addresses. Keeping in view the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Annual Report is sent via mail to the shareholders whose e-mail addresses are registered.

**Management Discussion and Analysis**

Management Discussion and Analysis covering the operations of the Company, forms part of the Annual Report.

**Designated e-mail-id**

The Company has designated the e-mail id viz. [investors@paramountcables.com](mailto:investors@paramountcables.com), in order to ensure prompt redressal of investor's requests/complaints.

**Scores**

Facility has been provided by SEBI for investors to place their complaints/grievances on a centralized web-based complaints redressal system viz. SEBI Complaints Redress System (SCORES). On receipt of any complaint thereof, the Company strive to give prompt response and Action Taken Report (ATRs) are uploaded for information about the current status of the complaint.

**8. GENERAL SHAREHOLDER INFORMATION**

<b>CIN</b>	<b>L74899DL1994PLC061295</b>
<b>Registered Office</b>	<b>C-125, Naraina Industrial Area, Phase-1, New Delhi-110028.</b>
<b>Compliance officer</b>	<b>Ms. Rashi Goel, Compliance Officer and Company Secretary</b>
<b>Twenty Fifth Annual General Meeting</b>	
<ul style="list-style-type: none"> <li>Day, Date &amp; Time:</li> <li>Venue:</li> </ul>	Tuesday, the 24 <sup>th</sup> September, 2019 at 3.00 PM Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi
<b>Financial Year</b>	1 <sup>st</sup> April of each year to 31 <sup>st</sup> March of the next year
<b>Face Value per Equity share</b>	<b>₹ 2/-</b>

<b>Dividend Payment date</b>	<b>Not Applicable</b>
<b>Book Closure</b>	<b>Wednesday, the 18<sup>th</sup> September, 2019 to Tuesday, the 24<sup>th</sup> September, 2019 (both days inclusive).</b>
<b>ISIN Number</b>	• Demat ISIN Number in NSDL and CDSL for Equity Shares is INE074B01023

➤ **Financial Calendar (Tentative)**

Results for quarter ending 30 <sup>th</sup> June, 2019	Mid August, 2019
Results for quarter/ half-year ending 30 <sup>th</sup> September, 2019	Mid November, 2019
Results for quarter ending 31 <sup>st</sup> December, 2019	Mid February, 2019
Results for year ending 31 <sup>st</sup> March, 2020	End May, 2020
Annual General Meeting (i.e., next year)	By September, 2020

➤ **Listing of Equity Shares on Stock Exchanges and Stock Codes**

The Equity Shares of the Company are listed on the following Stock Exchanges:

<b>Name of the Stock Exchange</b>	<b>Stock Code</b>
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	<b>530555</b>
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	<b>PARACABLES</b>
The Calcutta Stock Exchange Assn. Ltd* -	

\*The Company has submitted application for voluntary de-listing of equity shares to the Calcutta Stock Exchange Association Ltd., Kolkata during the year 2003-04, which is pending for disposal.

➤ **Payment of Listing fee**

The annual listing fee for the financial year 2019-20 has been paid to both the stock exchanges (viz. BSE and NSE), where the securities of the Company are listed.

➤ **Payment of Depository Fees**

The Annual Custodial/Issuer Fee for the year 2019-2020 has been duly paid by the Company to NSDL and CDSL.

➤ **Share Transfer System**

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

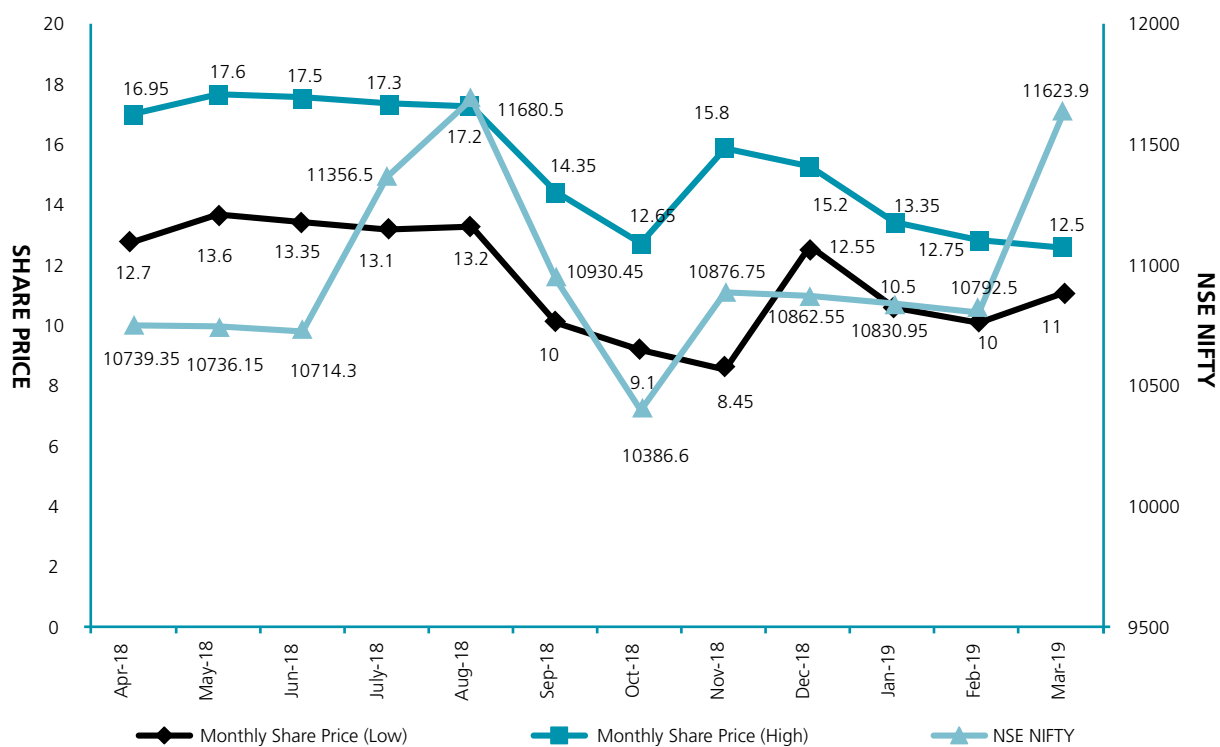
However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.



➤ Stock Price Data:

a) NSE Scrip Code: PARACABLES (For the period: April, 2018 to March, 2019)

Month	High Price (H)	Low Price (L)	NSE NIFTY (closing prices)
April 2018	16.95	12.7	10739.35
May 2018	17.6	13.6	10736.15
June 2018	17.5	13.35	10714.3
July 2018	17.3	13.1	11356.5
August 2018	17.2	13.2	11680.5
September 2018	14.35	10.00	10930.45
October 2018	12.65	9.10	10386.6
November 2018	15.8	8.45	10876.75
December 2018	15.2	12.55	10862.55
January 2019	13.35	10.50	10830.95
February 2019	12.75	10.00	10792.5
March 2019	12.5	11.00	11623.9

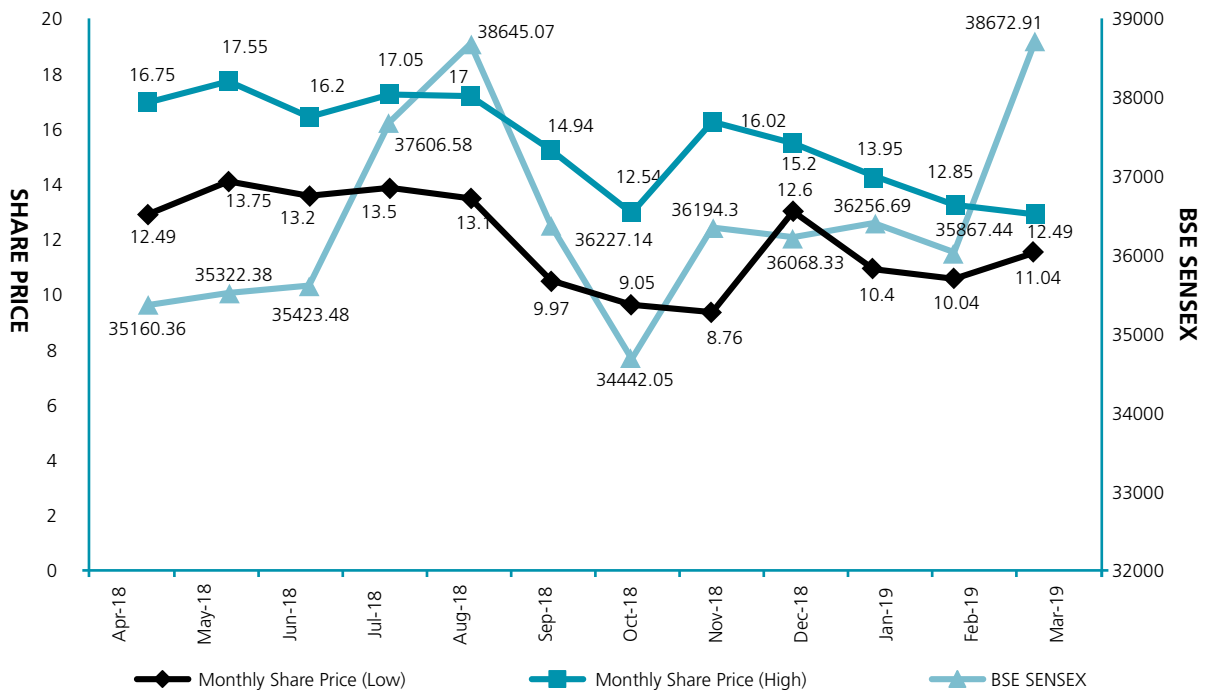


**BSE Scrip Code: 530555 (For the period: April, 2018 to March, 2019)**

Performance of equity shares in comparison with BSE SENSEX during the Financial Year 2018-2019

Value in ₹

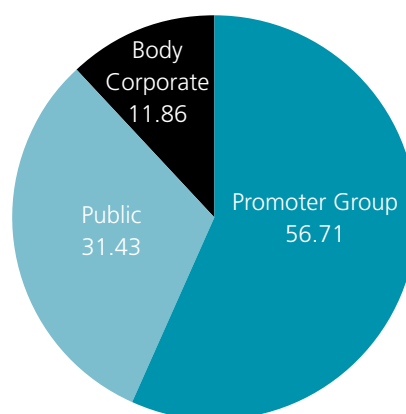
Month	High Price (H)	Low Price (L)	BSE (closing prices)
April 2018	16.75	12.49	35160.36
May 2018	17.55	13.75	35322.38
June 2018	16.20	13.20	35423.48
July 2018	17.05	13.50	37606.58
August 2018	17.00	13.10	38645.07
September 2018	14.94	9.97	36227.14
October 2018	12.54	9.05	34442.05
November 2018	16.02	8.76	36194.3
December 2018	15.20	12.60	36068.33
January 2019	13.95	10.40	36256.69
February 2019	12.85	10.04	35867.44
March 2019	12.49	11.04	38672.91



Distribution of Shareholding and shareholding Pattern as on 31.03.2019.

Shareholding of shares	No. of Shareholders		No. of Shares held	Amount	
	Number	% to total		In ₹	% to total
Upto 500	18496	66.92	3529023	7058046	2.05
501 - 1,000	4171	15.09	3476402	6952804	2.02
1,001 - 2,000	2157	7.80	3409957	6819914	1.99
2,001 - 3,000	808	2.92	2077012	4154024	1.21
3,001 - 4,000	361	1.31	1314752	2629504	0.77
4,001 - 5,000	400	1.45	1918048	3836096	1.12
5,001 - 10,000	542	1.96	4144841	8289682	2.4128
10,001 & Above	705	2.55	151913930	303827860	88.4331
<b>Total</b>	<b>27640</b>	<b>100.00</b>	<b>171783965</b>	<b>343567930</b>	<b>100.00</b>

Shareholding Pattern of the Company as at 31<sup>st</sup> March, 2019



➤ **Steps taken by the management for strengthening the company's performance**

The Company has issued and allotted 11881500 Equity shares of the Company upon mandatory conversion of outstanding FCCBs having face value of US\$ 7.5 Million.

The Promoters and other persons/entities forming part of the Promoter group have infused funds amounting to ₹ 25.94 Cr in the financial year 2018-2019, by way of issue of 17,000,000 equity shares on preferential basis.

All the aforesaid has resulted in substantial reduction in financial commitments of the Company to a considerable extent, and the remaining debt/financial commitment are within manageable level of the Company. Keeping in view the aforesaid settlement and the current position of the Company, the management expects a turn-around in the operations of the Company.

The Management is further exploring possibilities of new investors in order to invest funds in the Company for modernization, expansion and strengthening the financial position of the Company. The Company has also taken several measures to reduce its cost. The excellent revenue growth of 40% for FY 2018-19 and the strong order book of the Company at the end of FY 2018-19 shows that a complete turn-around has been achieved in the financial position and the operations of the Company.

➤ **Dematerialization of Shares**

At the end of the year 2018-2019 around 99.33% of the equity shares of the Company are held in dematerialized form. The Reconciliation of Share Capital Audit Report from a Practicing Company Secretary confirming that the total issued capital of the Company is in aggregate with the total number of equity shares in physical form and the total number of dematerialized equity shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is periodically submitted to the stock exchanges where the equity shares of the Company are listed.

➤ **Liquidity**

The shares of the Company are actively traded at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and thus considered a liquid security.

➤ **Plant Locations (as on 31<sup>st</sup> March, 2019)**

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**Address:**

SP-30A, SP-30B and E-31, Khushkhera Industrial Area, District Alwar, Rajasthan, India  
Plot No. 37 Industrial Estate, Dharuhera, District Rewari, Haryana, India

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➤ **Address for correspondence:**

Any query on Annual Report may be addressed to the Secretarial Department of the Company or to the Registrars at the following addresses:

**The Compliance Officer & Company Secretary**

Paramount Communications Limited  
C-125, Naraina Industrial Area, Phase-I, New Delhi – 110028, India

**E-mail: [investors@paramountcables.com](mailto:investors@paramountcables.com)**

➤ **For Share transfer/ dematerialization of shares, payment of dividend, and any other query relating to the securities of the Company, please contact:**

**M/s Link Intime India Private Limited**

Noble Heights, 1<sup>st</sup> Floor, Plot No NH-2, LSC,  
C-1 Block, Near Savitri Market,  
New Delhi-110058  
Phone(s) +91-11-4141 0592, 93, 94

## Annexure – A

## DECLARATION BY CHAIRMAN AND CEO ON COMPLIANCE OF CODE OF CONDUCT

The Members

Paramount Communications Limited

I, Sanjay Aggarwal, Chairman and CEO of the Company, do hereby confirm that all the Board members and the senior management personnel of the Company have complied with the 'Code of Conduct for Directors and Senior Management Personnel', during the financial year 2018-2019.

The declaration is based on and is in pursuance of the individual affirmations received in writing from the Board members and the senior management personnel of the Company.

Date: 14.08.2019

Place: New Delhi

For and on behalf of the Board  
**Paramount Communications Limited**  
**(Sanjay Aggarwal)**  
Chairman & CEO

## CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

Dear Sirs,

We the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Paramount Communications Limited ("the Company") to the best of our knowledge and belief, certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended on 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the said year, which are fraudulent, illegal or violative of the Company's 'Code of Conduct for Directors and Key Managerial Personnel'.
- c. we accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies (wherever applicable).
- d. we have indicated to the Auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year (wherever applicable);
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements (wherever applicable); and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting (wherever applicable).

**(Sanjay Aggarwal)**  
Chairman & Chief Executive Officer

For **Paramount Communications Limited**  
**(Shambhu Kumar Agarwal)**  
Chief Financial Officer

## AUDITOR'S CERTIFICATE

### COMPLIANCE CERTIFICATE BY AUDITOR'S PURSUANT TO CLAUSE E OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF

PARAMOUNT COMMUNICATIONS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **PARAMOUNT COMMUNICATIONS LIMITED** ("the Company"), for the year ended on 31<sup>st</sup> March 2019, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March 2019.

4. We state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **P.Bholusaria & Co.**  
Chartered Accountants  
Firm Reg. No. 000468N

**(Pawan Bholusaria)**

Partner  
M.No. 080691

Place: New Delhi  
Dated: 14.08.2019

## CERTIFICATE

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/s Paramount Communications Limited, having its Registered office at C-125, Naraina Industrial Area, Phase-1, New Delhi-110028 and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on 31<sup>st</sup> March, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

Place: Delhi  
Date: 07.08.2019

**(CS Nitin Gupta)**  
Practicing Company Secretary  
M.No.: 35299, CP No: 14087



# Independent Auditors' Report

To,  
The Members of  
**Paramount Communications Limited**

## Report on the Standalone financial statements

### Opinion

We have audited the accompanying standalone financial statement of **Paramount Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Description of Key Audit Matter	How our audit addressed the key audit matter
Provision of Doubtful Debts	<ol style="list-style-type: none"> <li>We Obtain a detailed age analysis of the year end of debtors and test the analysis for a selection of the balances;</li> <li>Obtain an analysis of the provision for doubtful debts;</li> <li>Scrutinize the analysis and identify those debts which appear doubtful;</li> <li>Discuss with management their reasons, if any of these debts are not included in the provision for bad debts;</li> <li>Reach a final conclusion regarding the adequacy of the bad debts provision.</li> </ol>
Accuracy of Recognition, Measurement, Presentation and Disclosure of Revenue	We assessed the company's process to identify the impact of the new revenue accounting standard.
Impairment of Assets	We perform the analytical procedure to assess the impairment loss and review the market value for impairment loss as per IND AS 36.

### Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2019 on its financial position in its financial statements – Refer Note No 41
    - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2019
    - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2019.
  - (h) The managerial remuneration for the year ended 31<sup>st</sup> March 2019 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**(Pawan Bholusaria)**

Partner

M.No. 080691

Place: New Delhi  
Date: 4<sup>th</sup> May 2019

## Annexure 'A' to Independent Auditors' Report

(Annexure referred to in our report of even date to the members of **Paramount Communications Limited** on the accounts for the year ended 31<sup>st</sup> March 2019)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 5 on Fixed assets to the financial statements, are held in the name of the Company, except for one free hold land having gross block and net block of ₹ 60,417,500/-, which is yet to be registered / transferred in the name of company. The same is held in the name of erstwhile partnership firm Paramount Cable Corporation.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, to the extent applicable to the company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities. There are no undisputed statutory dues as of 31<sup>st</sup> March 2019 outstanding for a period of more than six months from the date, they become payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Excise Duty, Service Tax and Customs Duty as at 31<sup>st</sup> March 2019 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of the Due	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	1,54,07,708	Various Years for 2006-07 to 2014-15	CESTAT
		39,68,700	Various Years for 2014-15 to 2015-16	Commissioner (Appeals)
Finance Act	Service Tax	4,94,816	2007-08	CESTAT
		92,73,084	2006-07	Supreme Court
		1,16,86,959	2008-09 & 2009-10	High Court
Customs Act	Customs Duty	13,12,721	2005-06 & 2006-07	CESTAT

- viii. In our opinion, on the basis of books and records examine by us and according to the information and expiations given to us, the Company has not defaulted in repayment of loans/ borrowings from banks, Assets Reconstruction company and Non-Banking Finance Company during the year. However, the company does not have any due to debenture holders or Government.
- ix. The Company has not raised moneys by way of initial public offer (including debt instruments) or term loans. However, the Company has made preferential allotment of equity shares, and the same were utilized for the purpose for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting Standard.
- xiv. The Company has made preferential allotment of fully paid up equity shares during the year. The company has complied with the requirements of section 42 of the companies Act, 2013, to the extent applicable. The amount raised were used for the purposes for which the funds were raised.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**(Pawan Bholusaria)**

Partner  
M.No. 080691

Place: New Delhi  
Date: 4<sup>th</sup> May 2019

## Annexure 'B' to Independent Auditors' Report

Annexure referred to in our report of even date to the members of **Paramount Communications Limited** on the accounts for the year ended 31<sup>st</sup> March 2019

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Paramount Communications Limited ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting

included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Place: New Delhi  
Date: 4<sup>th</sup> May 2019

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No: 000468N

**(Pawan Bholusaria)**

Partner  
M.No. 080691

# Balance Sheet

as at 31<sup>st</sup> March 2019

Particulars	Note No.	(Amount in ₹)	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	5	<b>1,317,512,801</b>	1,295,595,628
(b) Other Intangible assets	6	<b>6,096,578</b>	7,702,287
(c) Financial Assets			
(i) Investments	7	<b>3</b>	3
(ii) Loans and Advances	8	<b>252,042</b>	117,160
(iii) Others	9	<b>156,387,612</b>	115,046,248
(d) Other non-current assets	10	<b>7,374,778</b>	6,033,362
		<b>1,487,623,814</b>	<b>1,424,494,688</b>
<b>2 Current assets</b>			
(a) Inventories	11	<b>777,790,400</b>	277,927,069
(b) Financial Assets			
(i) Trade Receivables	12	<b>2,134,384,391</b>	1,886,061,778
(ii) Cash and cash equivalents	13	<b>19,364,771</b>	26,520,457
(iii) Bank Balances other than (ii) above	14	<b>101,054,977</b>	167,666,626
(iv) Loans and Advances	15	<b>4,142,636</b>	3,251,256
(v) Others	16	<b>35,424,941</b>	30,222,929
(c) Current Tax Assets(Net)	17	<b>11,733,375</b>	5,107,413
(d) Other current assets	18	<b>118,134,524</b>	79,531,079
		<b>3,202,030,015</b>	<b>2,476,288,607</b>
<b>Total Assets</b>		<b>4,689,653,829</b>	<b>3,900,783,295</b>
<b>II. Equity and Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	19	<b>343,567,930</b>	285,804,930
(b) Other Equity	20	<b>1,070,621,446</b>	577,281,814
		<b>1,414,189,376</b>	<b>863,086,744</b>
<b>2 Liabilities</b>			
(i) Non-current liabilities			
(a) Financial Liabilities			
Borrowing	21	<b>1,959,739,026</b>	1,884,250,000
(b) Provisions	22	<b>25,383,348</b>	21,625,623
		<b>1,985,122,374</b>	<b>1,905,875,623</b>
(ii) Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowing	23	<b>12,250,000</b>	91,464,990
(ii) Trade payables	24		
Due to Micro and Small Enterprises		<b>26,612,148</b>	8,849,598
Others		<b>1,006,399,423</b>	905,079,140
(iii) Other	25	<b>166,411,119</b>	96,228,978
(b) Other current liabilities	26	<b>72,970,993</b>	27,227,988
(c) Provisions	27	<b>5,698,396</b>	2,970,234
		<b>1,290,342,079</b>	<b>1,131,820,928</b>
<b>Total Equity and Liabilities</b>		<b>4,689,653,829</b>	<b>3,900,783,295</b>

III. See accompanying notes to the financial statements with Notes

1 to 50

As per our Report of even date attached

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

For and on behalf of Paramount Communications Limited

**(Sanjay Aggarwal)**  
Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**  
Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**  
Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**  
Company Secretary  
Mem No.: ACS 30622



# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Revenue :</b>			
I. Revenue from operations	28	6,144,633,022	4,423,374,186
II. Other income	29	33,075,792	40,912,208
<b>III. Total Income (I + II)</b>		<b>6,177,708,814</b>	<b>4,464,286,394</b>
<b>IV. Expenses:</b>			
Cost of material consumed	30	5,019,576,657	3,581,804,713
Change in Inventories of finished goods, work-in-progress and scrap	31	(316,963,609)	(86,033,209)
Employee benefits expenses	32	171,415,657	159,648,893
Finance costs	33	79,761,633	44,835,791
Depreciation and amortization	34	86,393,135	92,250,492
Excise Duty		-	91,812,158
Other Expenses	35	845,928,915	703,031,777
<b>Total Expenses (IV)</b>		<b>5,886,112,388</b>	<b>4,587,350,615</b>
V. Profit/(loss) Before exceptional items and Tax (III - IV)		291,596,426	(123,064,221)
VI. Exceptional items (refer note no 46)		-	269,993,962
VII. Profit/(Loss) before tax (V - VI)		291,596,426	146,929,741
VIII. Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Total Tax Expense (VIII)</b>		<b>-</b>	<b>-</b>
IX. Profit/(loss) for the year (VII - VIII)		291,596,426	146,929,741
X. Comprehensive Income			
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Re-measurement gains/ (losses) on defined benefit plans		86,207	(550,970)
Income tax effect on above		-	-
		86,207	(550,970)
XI. Total Comprehensive Income for the year (IX + X) (Comprehensive profit and other comprehensive income for the year)		291,682,633	146,378,771
XII. Earnings Per Equity Share:			
(1) Basic		1.74	1.10
(2) Diluted		1.74	1.10

See accompanying notes to the financial statements with Notes 1 to 50

## As per our Report of even date attached

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No.: 000468N

### Pawan Bholusaria

Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

## For and on behalf of Paramount Communications Limited

### (Sanjay Aggarwal)

Chairman & CEO  
DIN No.: 00001788

### (S K Aggarwal)

Chief Financial Officer  
Mem No.: 053595

### (Sandeep Aggarwal)

Managing Director  
DIN No.: 00002646

### (Tannu Sharma)

Company Secretary  
Mem No.: ACS 30622

# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>(A) Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation</b>	<b>291,596,426</b>	<b>(123,064,221)</b>
Adjustment for :		
Depreciation, amortization and impairment	86,393,135	92,250,492
Interest Expenses	76,814,979	39,926,592
Interest on fair valuation of Preference Share	-	1,612,005
Amortization of security premium of Preference Share	-	(935,290)
Exchange Loss on FCCB	-	156,000
Income on sales of Mutual Funds	(849,403)	-
Loss / (Profit) on sale of assets(net)	40,099	-
Interest Income	(26,333,536)	(30,609,143)
Interest Income on fair valuation of Security Deposit	(1,751,386)	(1,444,720)
Bad debts written off	150,090,174	27,519,623
Provision for Doubtful debts/ Written back	(149,321,536)	(23,978,085)
	<b>135,082,526</b>	<b>104,497,474</b>
<b>Operating Profit before working capital changes</b>	<b>426,678,952</b>	<b>(18,566,747)</b>
Adjustment for :		
Decrease / (Increase) in Trade Receivables	(249,091,251)	(727,593,751)
Decrease / (Increase) in Loans & Advances	(1,026,262)	4,459,988
Decrease / (Increase) in Inventories	(499,863,331)	(144,821,687)
Decrease / (Increase) in Other Assets	(84,736,851)	125,011,005
(Decrease) / Increase in Trade Payables	119,082,833	722,066,322
(Decrease) / Increase in Other Liabilities & Provisions	53,330,575	(42,659,261)
	<b>(662,304,287)</b>	<b>(63,537,384)</b>
<b>Cash generated from operation</b>	<b>(235,625,335)</b>	<b>(82,104,131)</b>
Exceptional items		
Gain/(Loss) on Fair Valuation of Borrowing	-	269,993,962
Income Tax Paid	(6,625,962)	13,143,790
	<b>(6,625,962)</b>	<b>283,137,752</b>
<b>Net Cash from Operating Activities</b>	<b>(242,251,297)</b>	<b>201,033,621</b>
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets including Capital WIP	(107,663,354)	(17,616,239)
Sale of Fixed Assets	918,655	-
Interest Received	26,333,536	30,609,143
Sales of Mutual Funds (Net)	849,403	-
	<b>(79,561,760)</b>	<b>12,992,904</b>
<b>Net Cash From Investing Activities</b>	<b>(79,561,760)</b>	<b>12,992,904</b>

# Cash Flow Statement (Contd...)

for the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>(C) Cash Flow from Financing Activities</b>		
Interest paid	(76,814,979)	(39,926,592)
Increase/(Decrease) in Borrowings from banks / ARC/NBFC	144,655,691	(227,775,297)
Redemption of 0% Non-Convertible Redeemable Preference Shares	-	(92,756,250)
Loan From Directors	(79,214,990)	91,464,990
Issue of Equity Share Capital with premium	259,420,000	92,762,250
	<b>248,045,722</b>	<b>(176,230,899)</b>
<b>Net Cash from Financing Activities</b>	<b>248,045,722</b>	<b>(176,230,899)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(73,767,335)</b>	<b>37,795,626</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>194,187,083</b>	<b>156,391,457</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>120,419,748</b>	<b>194,187,083</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(73,767,335)</b>	<b>37,795,626</b>

**Note:**

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)
- Foreign currency convertible bonds included redemption premium on FCCBs amounting to ₹ 737,420,062 has been converted in to Equity Share Capital during the year.
- Cash and cash equivalents consist of cash in hand and balances with banks.
- Borrowings from banks/ARC is net of repayments
- Figures in brackets represent outflow of cash.

**As per our Report of even date attached**

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

**For and on behalf of Paramount Communications Limited**

**(Sanjay Aggarwal)**  
Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**  
Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**  
Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**  
Company Secretary  
Mem No.: ACS 30622

# Statement of Changes In Equity

for the year ended 31<sup>st</sup> March 2019

## A. Equity share capital

	Balance as at 31 <sup>st</sup> March 2017	Changes in equity share capital during the year 2017-18	Balance as at 31 <sup>st</sup> March 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 <sup>st</sup> March 2019
	250,466,930	35,338,000	285,804,930	57,763,000	343,567,930

## B. Other Equity

Particulars	Equity component of convertible instruments		Equity component of compound financial instruments		Reserve and Surplus		Items of Other comprehensive Income Items that will not be classified to profit and loss	Re-measurement of net defined benefit Plans	Total
	Equity component of convertible instruments	Equity component of compound financial instruments	Capital Reserve	Premium Reserve	Securities Reserve	General Reserve			
<b>Balance as at 31<sup>st</sup> March 2017</b>	-	7,864,573	3,031,100	674,454,737	25,403,272	(1,070,840,331)	(2,919,030)	(3,630,005,979)	146,929,741
Total Comprehensive Income for the year 2017-18				674,454,737		146,929,741			146,929,741
Addition during the year				57,424,250					57,424,250
Premium on redemption of Preference Shares				(935,290)					(935,290)
Re-measurement of net defined benefit Plans								(550,970)	(550,970)
Equity component of compound financial instruments transferred to retain earning		(7,864,573)							-
Foreign currency convertible bond	737,420,062								737,420,062
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>737,420,062</b>	-	<b>3,031,100</b>	<b>730,943,397</b>	<b>25,403,272</b>	<b>(916,046,017)</b>	<b>(3,470,000)</b>	<b>577,281,814</b>	291,596,426
Total Comprehensive Income for the year 2018-19						291,596,426			291,596,426
Addition during the year				201,656,999					201,656,999
Re-measurement of net defined benefit Plans								86,207	86,207
Foreign currency convertible bond transfer to Equity and share premium	(737,420,062)			737,420,062					-
<b>Balance as at 31<sup>st</sup> March 2019</b>	-	-	<b>3,031,100</b>	<b>1,670,020,458</b>	<b>25,403,272</b>	<b>(624,449,591)</b>	<b>(3,383,793)</b>	<b>1,070,621,446</b>	

### As per our Report of even date attached

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

### For and on behalf of Paramount Communications Limited

**(Sanjay Aggarwal)**  
Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**  
Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**  
Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**  
Company Secretary  
Mem No.: ACS 30622

# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

## 1. Corporate and General Information

Paramount Communications Limited (“PCL”) or (“the Company”) is domiciled and incorporated in India. The Company is engaged in manufacturing business of Wires and Cables.

## 2. Basis of preparation

The financial statements have been prepared complying in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs (“MCA”). The Company has consistently applied the accounting policies used in the preparation for all periods presented

The significant accounting policies used in preparing the financial statements are set out in Note no.3 of the Notes to the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.4 on critical accounting estimates, assumptions and judgements).

## 3 Significant Accounting Policies

### 3.1 Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities carried at amortized cost,
- defined benefit plans – plan assets measured at fair value,

The standalone financial statements are presented in Indian Rupees, which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees.

### 3.2 Property, Plant and Equipment

- Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.
- Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Category of Assets	Years
- Leasehold Land	Lease period
<b>Equipment &amp; Machinery</b>	
- Building	30-60
- Plant and Machinery	15-25
- Electric Installation	10
- Furniture and Fixtures	10
- Computer equipment	3
- Office furniture and equipment	5
- Vehicles	8
- Software	

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

### 3.3 Intangible Assets

Identifiable intangible assets are recognized:

- when the Company controls the asset,
- it is probable that future economic benefits attributed to the asset will flow to the Company and
- the cost of the asset can be reliably measured.

# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

Computer software's are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

### 3.4 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes Cash on hand and at bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

### 3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to

their respective present location and condition. Cost is computed on the weighted average basis.

### 3.7 Employee benefits

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognized as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

### 3.8 Foreign currency reinstatement and translation

- (a) **Functional and presentation currency**  
The financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.
- (b) **Transactions and balances**  
Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange

# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

difference recognized in profit or loss. Differences arising on settlement of monetary items are also recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to such exchange difference.

### 3.9 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorization. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

#### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of

guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognized in a separate provision for impairment and the impairment losses are recognized in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognized in provision for impairment and the change in impairment losses are recognized in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

#### Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

#### Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognized initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account.

# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

Other borrowings are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective rate of interest (EIR). The EIR amortization is included in finance costs in the Statement of Profit and Loss.

## Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## 3.10 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

## 3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during



# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 3.12 Revenue recognition and Other income

#### Sale of Goods

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts and volume rebates are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of Material returned/ rejected is accounted for in the year of return/ rejection.

#### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 3.13 Recent accounting development

#### Standards issued but not yet effective:

Ind AS 116 was notified by Ministry of Corporate Affairs on 30<sup>th</sup> March 2019 and it is applicable for annual reporting periods beginning on or after 1<sup>st</sup> April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets. The company is evaluating the same in the financial statement going forward .

### 3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

### 3.15 Provisions and contingencies

#### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized. However, when the realization of income

# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

### 3.16 Operating Lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### 3.17 Current /non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statement:

### (a) Property, plant and equipment

External adviser and internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

### (b) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

# Significant Accounting Policies and Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2019

**(c) Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**(d) Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**(e) Fair valuation of Financial Assets and Liabilities**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets,

their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(f) Defined Benefit Plan**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 5. Property, Plant and equipment

	Freehold Land	Lease hold Land	Buildings	Plant and Equipment	Furniture and Fixture	Lease hold Building improvement	Vehicles	Office Equipment	Total
(Amount in ₹)									
<b>Gross Block</b>									
As at 31 <sup>st</sup> March 2017	230,235,130	290,187,000	219,025,986	693,267,052	17,199,156	5,234,030	4,226,616	5,317,711	1,464,692,681
Additions	-	-	45,732	15,095,010	267,445	-	217,575	1,147,195	16,772,957
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	230,235,130	290,187,000	219,071,718	708,362,062	17,466,601	5,234,030	4,444,191	6,464,906	1,481,465,638
Additions	-	-	-	104,607,453	236,970	-	108,429	2,181,502	107,134,354
Disposals/Adjustments	-	-	-	(787,814)	-	-	(302,577)	-	(1,090,391)
<b>As at 31<sup>st</sup> March 2019</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,071,718</b>	<b>812,181,701</b>	<b>17,703,571</b>	<b>5,234,030</b>	<b>4,250,043</b>	<b>8,646,408</b>	<b>1,587,509,601</b>
<b>Accumulated Depreciation</b>									
As at 31 <sup>st</sup> March 2017	-	3,468,378	8,493,735	73,909,175	5,808,306	1,602,170	1,243,648	1,200,079	95,725,491
Depreciation charge for the year	-	3,468,378	8,631,730	70,531,466	4,150,343	1,491,782	701,308	1,169,512	90,144,519
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	-	6,936,755	17,125,465	144,440,641	9,958,649	3,093,952	1,944,956	2,369,591	185,870,010
Depreciation charge for the year	-	3,468,378	8,631,730	67,082,203	1,762,764	1,491,782	409,729	1,411,840	84,258,426
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	(131,636)	-	-	-	-	(131,636)
<b>As at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>10,405,133</b>	<b>25,757,195</b>	<b>211,391,208</b>	<b>11,721,413</b>	<b>4,585,734</b>	<b>2,354,685</b>	<b>3,781,431</b>	<b>269,996,800</b>
<b>Net Carrying Amount</b>									
As at 31 <sup>st</sup> March 2018	230,235,130	283,250,245	201,946,253	563,921,421	7,507,951	2,140,077	2,499,235	4,095,315	1,295,595,628
<b>As at 31<sup>st</sup> March 2019</b>	<b>230,235,130</b>	<b>279,781,867</b>	<b>193,314,523</b>	<b>600,790,493</b>	<b>5,982,157</b>	<b>648,295</b>	<b>1,895,358</b>	<b>4,864,977</b>	<b>1,317,512,801</b>

Note:-

- 1) Property, plant and equipment is hypothecated for long term borrowings from banks/ Assets Reconstruction Company and NBFC. (Refer note no. 21)
- 2) Title deeds of factory land measuring 3,108.72 sq. mtr.at Prahladpur, Bawana Road, Delhi of ₹ 60,417,500 are yet to be registered/transferred in the name of company.
- 3) The Company has capitalized exchange fluctuation to Property, Plant and Equipment.(Refer Note no 47)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 6. Intangible Assets

(Amount in ₹)

Particulars	Other Intangibles (Software)	Total
<b>Gross Block</b>		
As at 31 <sup>st</sup> March 2017	<b>9,979,847</b>	<b>9,979,847</b>
Addition during the year	987,282	987,282
Adjustment	-	-
As at 31 <sup>st</sup> March 2018	<b>10,967,129</b>	<b>10,967,129</b>
Addition during the year	529,000	529,000
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>11,496,129</b>	<b>11,496,129</b>
<b>Accumulated Depreciation</b>		
As at 31 <sup>st</sup> March 2017	<b>1,158,870</b>	<b>1,158,870</b>
Charge for the year	2,105,972	2,105,972
Impairment	-	-
As at 31 <sup>st</sup> March 2018	<b>3,264,842</b>	<b>3,264,842</b>
Charge for the year	2,134,709	2,134,709
Impairment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>5,399,551</b>	<b>5,399,551</b>
<b>Net Carrying Amount</b>		
As at 31 <sup>st</sup> March 2018	<b>7,702,287</b>	<b>7,702,287</b>
<b>As at 31<sup>st</sup> March 2019</b>	<b>6,096,578</b>	<b>6,096,578</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 7. Non Current Investments

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2019			As at 31 <sup>st</sup> March 2018		
	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
<b>Long Term-Non Trade (unquoted)</b>						
<b>In Subsidiaries</b>						
Paramount Holding Limited, Cyprus	3675	€ 1.71 each	1	3675	€ 1.71 each	1
AEI Power Cables Limited, United Kingdom	1000	£1 each	1	1000	£1 each	1
06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom.	20000	£1 each	1	20000	£1 each	1
In administration liquidation						
<b>Total</b>			<b>3</b>			<b>3</b>
<b>Aggregate amount of unquoted investment (Market value)</b>			<b>3</b>			<b>3</b>
<b>Grand Total</b>			<b>3</b>			<b>3</b>
<b>Aggregate value of quoted investments</b>			-			-
<b>Aggregate Market value of quoted investments</b>			-			-
<b>Aggregate value of unquoted investments</b>			<b>255,469,934</b>			<b>255,469,934</b>
<b>Aggregate amount of impairment in value of investments</b>			<b>255,469,931</b>			<b>255,469,931</b>

Aggregate Provision for diminution in value of investments in Paramount Holdings Limited, Cyprus, "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom and AEI Power Cables Limited, United Kingdom has been made keeping in view negative net worth.

AEI Power Cables Limited, United Kingdom has ceased to trade. From 1<sup>st</sup> April,2017 it is dormant company.

The board of directors of Paramount Holdings Limited, Cyprus are taking steps to liquidate Paramount holdings Limited.

## 8. Non Current Loans and Advances

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Staff Loans and Advances</b>		
Secured, considered good	-	-
Unsecured, considered good	252,042	117,160
Loan Receivables which have significant increase in credit Risk	-	-
Loan Receivables- credit impaired	-	-
<b>Total</b>	<b>252,042</b>	<b>117,160</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 9. Non Current Other Financial Assets (Unsecured, considered good)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Security Deposits		
to related party *	-	12,451,798
to others	13,751,625	14,276,336
Interest Accrued but not due on fair valuation of Security Deposit to related party	-	2,752,159
Bank Deposits (with remaining maturity of more than 12 months)**	136,003,014	79,364,731
Interest Accrued but not due on fixed deposits	6,632,973	6,201,224
Advance to Related Parties - (Net of Provision)***	-	-
	<b>156,387,612</b>	<b>115,046,248</b>

\* Security Deposit to Paramount Telecables Limited for Premises taken on rent by the company and adjustable/refundable as per terms & conditions of the lease agreement

\*\*Under lien/custody with banks.

\*\*\* **Advance to Related Parties - (Net of Provision)**

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Advance to Related Parties -Paramount Holdings Limited (Subsidiary Company)	7,380,392	7,380,392
Less : Provision for Advance Recoverable from Subsidiary Company	7,380,392	7,380,392
	-	-

## 10. Other Non-Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Capital Advance	7,374,778	4,988,704
Deferred Lease Rent	-	1,044,658
<b>Total</b>	<b>7,374,778</b>	<b>6,033,362</b>

## 11. Inventories

(as taken, valued and certified by the management)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Raw Material	317,866,843	138,294,285
Work- in -progress	161,205,544	45,133,643
Finished goods	270,132,731	70,508,995
Stores and Spares	15,796,468	13,844,609
Packing materials	5,810,578	4,435,273
Scrap	6,978,236	5,710,264
<b>Total inventories</b>	<b>777,790,400</b>	<b>277,927,069</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 12. Trade Receivables

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Secured, considered good	-	-
Unsecured, considered good	2,134,384,391	1,886,061,778
Trade Receivables which have significant increase in credit Risk	57,409,442	206,730,978
Trade Receivables- credit impaired	(57,409,442)	(206,730,978)
<b>Total Trade Receivables</b>	<b>2,134,384,391</b>	<b>1,886,061,778</b>

## 13. Cash and Cash equivalents

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Balances with banks		
On current accounts	16,077,266	23,014,997
Cash on hand	3,287,505	3,505,460
	<b>19,364,771</b>	<b>26,520,457</b>

## 14. Other Bank Balances

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	101,054,977	167,666,626
	<b>101,054,977</b>	<b>167,666,626</b>

\*Under lien/custody with banks.

## 15. Current Loans and Advances

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Others Loans and Advances:</b>		
Secured, considered good	-	-
Unsecured, considered good		
- Employees Loans	1,299,181	1,298,831
- Employees Advances	2,843,455	1,952,425
Loan Receivables which have significant increase in credit Risk	-	-
Loan Receivables- credit impaired	-	-
	<b>4,142,636</b>	<b>3,251,256</b>



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 16. Other Financial Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Earnest Money Deposits	6,124,386	7,416,176
Security Deposits		
to related party *	18,000,000	-
to others	846,024	876,024
Interest Accrued but not due on fixed deposits	10,454,531	21,930,729
	<b>35,424,941</b>	<b>30,222,929</b>

\* Security Deposit to Paramount Telecables Limited for Premises taken on rent by the company are refundable.

## 17. Current Tax Assets (Net)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Current Tax Assets (Net of Provision)	11,733,375	5,107,413
	<b>11,733,375</b>	<b>5,107,413</b>

## 18. Other Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Advances to contractors and suppliers	33,607,980	41,505,822
Balance with GST Authorities	33,556,350	21,680
Amount Recoverable from Government*	35,086,080	32,803,404
Prepaid Expenses	15,884,114	3,698,991
Deferred Lease Rent	-	1,501,182
<b>Total</b>	<b>118,134,524</b>	<b>79,531,079</b>

\* represents sales tax, cenvat credit etc.

## 19. Equity Share capital

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Authorized share capital</b>		
250,000,000 (31 <sup>st</sup> March 2018- 250,000,000) Equity Shares of ₹ 2/-each	500,000,000	500,000,000
1,000,000 (31 <sup>st</sup> March 2018- 1,000,000) Redeemable Preference Shares of ₹ 100/- each	100,000,000	100,000,000
	<b>600,000,000</b>	<b>600,000,000</b>
<b>Issued,Subscribed and Paid up Capital</b>		
171,783,965 (March 2018 -142,902,465) Equity Shares of ₹ 2/- each fully paid up	343,567,930	285,804,930
	<b>343,567,930</b>	<b>285,804,930</b>
*Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:	<b>NIL</b>	<b>NIL</b>
<b>Reconciliation of the number of equity shares and share capital</b>		
Shares outstanding as at the beginning of the year	142,902,465	125,233,465
Add: Shares issued during the year	28,881,500	17,669,000
<b>Shares outstanding as at the end of the year</b>	<b>171,783,965</b>	<b>142,902,465</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## List of Shareholders holding more than 5% of the aggregate Shares:

Name of the shareholders	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding
M/s Paramount Telecables Limited	31,243,500	18.19	28,316,500	19.82
M/s April Investment and Finance Pvt. Ltd.	13,040,172	7.59	13,040,172	9.13
Mrs. Shashi Aggarwal	9,762,800	5.68	8,487,800	5.94
Mr. Sanjay Aggarwal	9,342,100	5.44	5,826,100	4.08
Mr. Sandeep Aggarwal	9,248,300	5.38	5,732,300	4.01

## 20. Other Equity

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>(A) Accumulated profit and Loss</b>		
Opening Balance	(916,046,017)	(1,070,840,331)
Add: Net profit for the year	291,596,426	146,929,741
Equity component of compound financial instruments transferred	-	7,864,573
<b>Total of A</b>	<b>(624,449,591)</b>	<b>(916,046,017)</b>
<b>(B) Other Reserves</b>		
Items of Other comprehensive Income		
Re-measurement gains (losses) on defined benefit plans		
Opening Balance	(3,470,000)	(2,919,030)
Addition during the year	86,207	(550,970)
	<b>(3,383,793)</b>	<b>(3,470,000)</b>
<b>General Reserve</b>		
Opening Balance	25,403,272	25,403,272
Addition during the year	-	-
	<b>25,403,272</b>	<b>25,403,272</b>
<b>Equity component of compound financial instruments</b>		
Opening Balance	-	7,864,573
Equity component of compound financial instruments transferred to retain earning	-	(7,864,573)
	-	-
<b>Capital Reserve</b>		
Opening Balance	3,031,100	3,031,100
Addition during the year	-	-
	<b>3,031,100</b>	<b>3,031,100</b>
<b>Security Premium</b>		
Opening Balance	730,943,397	674,454,437
Add During the Year	939,077,061	57,424,250
Less: Provision for Premium on redemption of Preference Shares	-	935,290
	<b>1,670,020,458</b>	<b>730,943,397</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Equity component of convertible instruments</b>		
Opening Balance	737,420,062	-
Add During the Year	-	737,420,062
Less : Transfer to Share Capital and Share Premium	(737,420,062)	-
	-	737,420,062
<b>Total of B</b>	<b>1,695,071,037</b>	<b>1,493,327,831</b>
<b>Total (A+B)</b>	<b>1,070,621,446</b>	<b>577,281,814</b>

Retained Earnings represent the undistributed profits of the Company

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in other comprehensive income. OCI is classified into (i). Items that will not be reclassified to profit and loss. (ii). Items that will be reclassified to profit and loss.

General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is apportioned to General Reserve. Under Companies Act 1956 it was mandatory to transfer amount before a company can declare dividend. however under Companies Act 2013 transfer of any amount to General Reserve is at the discretion of the company.

Securities Premium Reserve represents the amount received in excess of per value of securities (equity share, preference shares and debentures). Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of Profit and Loss. section 52 of Companies Act 2013 specify restriction and utilization of security premium.

Capital Reserve represents project subsidy from State Government.

## 21. Borrowings Designated at fair value through profit and loss account

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Secured</b>		
Term Loans		
From Securitisation and Assets Reconstruction Company (ARC)	1,750,000,000	1,806,500,000
From Financial Institution	77,750,000	77,750,000
From Non Banking Financial Company	131,989,026	-
<b>Total</b>	<b>1,959,739,026</b>	<b>1,884,250,000</b>

### Nature of Security :-

#### Term Loan from Banks/Securitisation and Assets Reconstruction Company (ARC)

Term loans from banks/Securitisation and Assets Reconstruction Company (ARC) are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 39,674,457 equity shares out of 97,410,597 equity shares of the company held by Promoters/ Promoters Group Companies.

#### Term Loan from Financial Institution

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

Loan from Financial Institution is secured against surrender value/ maturity value of keyman insurance policy of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company.

## Term Loan from Non Banking Financial Company

Term loans from Non Banking Financial Company are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company.

(Amount in ₹)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
9.5 %	-	-	-	77,750,000
16.0%	72,727,272	60,606,062	-	-
0%	214,800,000	1,435,200,000	100,000,000	-
<b>Total</b>	<b>287,527,272</b>	<b>1,495,806,062</b>	<b>100,000,000</b>	<b>77,750,000</b>

## 22. Provisions

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Provisions for employee benefits</b>		
Provision for Gratuity	13,952,624	11,188,613
Provision for Leave Encashment	11,430,724	10,437,010
	<b>25,383,348</b>	<b>21,625,623</b>

## 23. Borrowings

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Unsecured</b>		
<b>From Related Parties</b>		
Loan From Directors	12,250,000	91,464,990
	<b>12,250,000</b>	<b>91,464,990</b>

## 24. Trade Payables

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Due to Micro, Small & Medium Enterprises*	26,612,148	8,849,598
Others	1,006,399,423	905,079,140
<b>Total</b>	<b>1,033,011,571</b>	<b>913,928,738</b>

\*Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 25. Other Financial Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Current maturities of long term debts	123,166,666	54,000,000
Other Financial Liabilities	43,244,453	42,228,978
<b>Total</b>	<b>166,411,119</b>	<b>96,228,978</b>

## 26. Other current Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Advance from customers	66,071,038	12,747,024
Statutory Dues Payable	6,899,955	14,480,964
<b>Total</b>	<b>72,970,993</b>	<b>27,227,988</b>

## 27. Provisions

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Provisions for employee benefits</b>		
Provision for Gratuity	1,457,138	764,596
Provision for Leave Encashment	4,241,258	2,205,638
<b>Total</b>	<b>5,698,396</b>	<b>2,970,234</b>

## 28. Revenue from operations

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>a) Sale of Products</b>		
Manufactured goods	6,079,165,228	4,383,722,548
<b>b) Other Operating Revenue</b>		
Export benefits	9,576,068	2,241,066
Scrap	55,891,726	37,410,572
	<b>6,144,633,022</b>	<b>4,423,374,186</b>

## 29. Other Income

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Interest on refund of income-tax	-	1,051,742
Interest on Fixed Deposit	17,440,689	19,575,893
Interest Income - Others	8,892,847	9,981,508
Insurance Claim Received	-	264,001
Income on sales of Mutual Funds	849,403	-
Miscellaneous Income	401,993	11,900
Exchange Fluctuation (Net)*	3,739,474	8,582,444
Interest Income on fair valuation of Security Deposit	1,751,386	1,444,720
	<b>33,075,792</b>	<b>40,912,208</b>

\* Refer Note No 36

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 30. Cost of materials consumed

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Raw Material consumed</b>		
Opening stock	138,294,285	82,069,415
Add: Purchases	5,199,149,215	3,638,029,583
Less: Closing stock	317,866,843	138,294,285
<b>Raw Material consumed</b>	<b>5,019,576,657</b>	<b>3,581,804,713</b>

## 31. Changes in Inventories

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Opening Stock</b>		
- Finished Stock	70,508,995	21,111,782
- Work in Progress	45,133,643	15,825,849
- Scrap	5,710,264	909,162
	<b>121,352,902</b>	<b>37,846,793</b>
<b>Less: Closing Stock</b>		
- Finished Stock	270,132,731	70,508,995
- Work in Progress	161,205,544	45,133,643
- Scrap	6,978,236	5,710,264
	<b>438,316,511</b>	<b>121,352,902</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(316,963,609)</b>	<b>(83,506,109)</b>
Excise duty on account of increase/(decrease) on stock of finished goods	-	(2,527,100)
<b>Total (Increase)/Decrease in Stock</b>	<b>(316,963,609)</b>	<b>(86,033,209)</b>

## 32. Employee Benefits Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Salaries and wages	157,487,460	146,026,030
Contribution to provident and other funds	8,407,892	7,981,691
Workmen and Staff Welfare	5,520,305	5,641,172
<b>Total</b>	<b>171,415,657</b>	<b>159,648,893</b>

## 33. Finance Cost

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Interest on Loans	22,261,294	8,748,076
Interest on Bills Discounting & others	54,553,685	31,178,516
Interest on fair valuation of Preference Share	-	1,612,005
Other Borrowing Cost	2,790,962	3,297,194
Loan Processing Fees amortized	155,692	-
<b>Total</b>	<b>79,761,633</b>	<b>44,835,791</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 34. Depreciation and amortization

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Property Plant and Equipment	84,258,426	90,144,519
Intangible Assets	2,134,709	2,105,973
<b>Total</b>	<b>86,393,135</b>	<b>92,250,492</b>

## 35. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Stores , Spares & Consumables	29,870,798	27,463,482
Packing Expenses	135,210,689	115,154,948
Power and Fuel	137,175,239	116,359,900
Rent	23,677,704	22,433,324
Amortized Cost of Rent on fair valuation of Security Deposit	1,501,181	1,501,181
Repair and Maintenance		
- Plant and Machinery	35,470,578	20,944,742
- Building	3,896,645	2,597,578
- Others	1,984,519	5,189,920
Insurance	3,256,824	3,229,016
Rates and Taxes	590,336	587,977
Auditor's Remuneration	1,852,586	1,849,547
Conversion Charges	5,343,892	4,616,676
Labour Charges	114,871,146	93,655,142
Commission and Brokrage	15,727,482	9,671,679
Rebate and Discount	5,498,170	2,092,967
Freight, Octroi & cartage	116,003,371	107,119,355
Provision for doubtful debts	-	-
Bad Debts written off	150,090,174	27,519,623
Less:Provision for doubtful debts writeen back	149,321,536	23,978,085
Travelling and Conveyance	36,122,006	30,827,915
Advertisement and Publicity	1,190,417	1,121,053
Communication Expenses	7,142,279	5,127,294
Loss on sale/disposal of Fixed Assets	40,099	-
Donations	2,072,002	942,000
Professional Charges	92,495,912	67,816,447
Business Promotion Expenses	29,622,334	18,094,327
Printing and Stationary	5,085,823	3,996,575
Security Charges	8,244,056	7,801,094
Testing Charges	7,864,386	11,908,684
Directors Meeting Fee	1,200,000	1,375,000
Miscellaneous Expenses	22,149,803	16,012,416
<b>Total</b>	<b>845,928,915</b>	<b>703,031,777</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 36. Financial risk management

### Financial risk factors

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has short term trade receivable and bank deposits which are under lien with banks for availing credit facilities. The Company's activities expose it to a variety of financial risks:

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019.

#### ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

#### iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

### Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

#### (a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee. However, the Company has transactions in USD, Euro, and GBP. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk, though not material.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

The following table demonstrates the sensitivity in the USD, Euro & GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

(Amount in ₹)			
Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	Effect on profit /(loss) before tax
<b>For the year ended 31<sup>st</sup> March 2019</b>			
US\$	(190,416)	+ 5%	(662,121)
		-5%	662,121
GBP	287,611	+ 5%	1,282,101
		-5%	(1,282,101)
<b>For the year ended 31<sup>st</sup> March 2018</b>			
US\$	176,162	+ 5%	568,149
		-5%	(568,149)
EURO	(815)	+ 5%	(3,322)
		-5%	3,322
GBP	124,466	+ 5%	568,500
		-5%	(568,500)

Summary of exchange difference accounted in Statement of Profit and Loss:

(Amount in ₹)		
Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Net Foreign Exchange gain shown as other income	<b>3,739,474</b>	8,582,444

(b) *Interest rate risk and sensitivity*

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at fixed rate and hence, there is no interest risk sensitivity. Weighted average cost of borrowing is 13.70% for the year ended 31<sup>st</sup> March 2019 (10.85% for the year ended 31<sup>st</sup> March 2018) excluding borrowings which are assigned/negotiated with banks with no interest liability.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks which are under lien with banks for availing credit facilities.

- Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither due nor impaired	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
(Amount in ₹)					
<b>As at 31<sup>st</sup> March 2019</b>					
<b>Trade receivable</b>					
Unsecured	1,413,080,976	602,460,491	49,046,436	69,796,488	2,134,384,391
Significant increase in credit Risk	-	-	-	57,409,442	57,409,442
<b>Gross Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>127,205,930</b>	<b>2,191,793,833</b>
Credit impaired	-	-	-	57,409,442	57,409,442
<b>Net Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>69,796,488</b>	<b>2,134,384,391</b>
<b>As at 31<sup>st</sup> March 2018</b>					
<b>Trade receivable</b>					
Unsecured	749,794,903	943,574,492	58,161,213	134,531,170	1,886,061,778
Significant increase in credit Risk	-	-	-	206,730,978	206,730,978
<b>Gross Total</b>	<b>749,794,903</b>	<b>943,574,492</b>	<b>58,161,213</b>	<b>341,262,148</b>	<b>2,092,792,756</b>
Credit impaired	-	-	-	206,730,978	206,730,978
<b>Net Total</b>	<b>749,794,903</b>	<b>943,574,492</b>	<b>58,161,213</b>	<b>134,531,170</b>	<b>1,886,061,778</b>

## Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall, promoters envisage to infuse capital and loans.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Amount in ₹)

Particulars	Carrying Amount	On demand	Ageing as on 31 <sup>st</sup> March 2019			Total
			< 6 months	6-12 months	> 1 years	
Borrowings	2,096,500,000	-	69,553,030	65,863,636	1,961,083,334	2,096,500,000
Trade payable	1,033,011,571	-	1,033,011,571	-	-	1,033,011,571
Other liabilities	116,215,446	-	116,215,446	-	-	116,215,446
<b>Total</b>	<b>3,245,727,017</b>	<b>-</b>	<b>1,218,780,047</b>	<b>65,863,636</b>	<b>1,961,083,334</b>	<b>3,245,727,017</b>
Ageing as on 31 <sup>st</sup> March 2018						
Borrowings	2,029,714,990	-	27,000,000	118,464,990	1,884,250,000	2,029,714,990
Trade payable	913,928,738	-	913,928,738	-	-	913,928,738
Other liabilities	69,456,965	-	69,456,965	-	-	69,456,965
<b>Total</b>	<b>3,013,100,693</b>	<b>-</b>	<b>1,010,385,703</b>	<b>118,464,990</b>	<b>1,884,250,000</b>	<b>3,013,100,693</b>

## Capital risk management

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company's primary objective when managing capital is to ensure the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2018-19 and 2017-18 is an under.

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Loans and borrowings	2,095,155,692	2,029,714,990
Less: cash and cash equivalents	19,364,771	26,520,457
Net debt	2,075,790,921	2,003,194,533
Equity	1,414,189,376	863,086,744
Total capital	3,489,980,297	2,866,281,277
Gearing ratio	59.48%	69.89%

The Company envisage healthy gearing ratio in forthcoming year/s.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 37. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognized in the financial statements.

Particulars	(Amount in ₹)			
	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortized cost</b>				
Fixed deposits with banks	237,057,991	237,057,991	247,031,357	247,031,357
Cash and bank balances	19,364,771	19,364,771	26,520,457	26,520,457
Investment	3	3	3	3
Trade and other receivables	2,138,779,069	2,138,779,069	1,889,430,194	1,889,430,194
Other financial assets	55,809,538	55,809,538	65,904,446	65,904,446
	<b>2,451,011,372</b>	<b>2,451,011,372</b>	<b>2,228,886,457</b>	<b>2,228,886,457</b>
<b>Financial liabilities designated at amortized cost</b>				
Borrowings- fixed rate		-		-
Trade & other payables	1,033,011,571	1,033,011,571	913,928,738	913,928,738
Other financial liabilities	43,244,453	43,244,453	42,228,978	42,228,978
<b>Financial liabilities designated at fair value through profit and loss</b>				
Borrowings- fixed rate	2,095,155,692	2,095,155,692	2,029,714,990	2,029,714,990
	<b>3,171,411,716</b>	<b>3,171,411,716</b>	<b>2,985,872,706</b>	<b>2,985,872,706</b>

### Fair Value hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

## Assets / Liabilities for which fair value is disclosed

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2019		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,095,155,692	
Other Financial Liabilities		43,244,453	
		As at 31 <sup>st</sup> March 2018	
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,029,714,990	
Other Financial Liabilities		42,228,978	

During the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019, respectively:

### a) Assets / Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities			
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

## 38. Segment information

### Information about primary segment

The Company operates in a Single Primary Segment (Business Segment) i.e. Wire and Cables.

### Information about Geographical Segment – Secondary

The Company's operations are located in India. The Management has not identified any geographical segment.

## 39. Retirement benefit obligations

### (a) Expense recognized for Defined Contribution plan

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Company's contribution to provident fund	7,583,287	6,874,904
Company's contribution to ESI	824,605	1,106,787
<b>Total</b>	<b>8,407,892</b>	<b>7,981,691</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019, being the respective measurement dates:

## (b) Movement in obligation

Particulars	(Amount in ₹)	
	Gratuity (funded)	leave encashment (unfunded)
<b>Present value of obligation - 1<sup>st</sup> April, 2017</b>	26,845,079	13,042,464
Current service cost	3,189,919	1,367,518
Plan amendnets past service cost	3,323,806	-
Interest cost	2,013,381	912,972
Benefits paid	-	(876,332)
Remeasurements - actuarial loss/ (gain)	333,751	(1,803,974)
<b>Present value of obligation - 31<sup>st</sup> March, 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>
<b>Present value of obligation - 1<sup>st</sup> April, 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>
Current service cost	2,663,358	2,870,599
Plan amendnets past service cost	-	-
Interest cost	2,498,619	948,199
Benefits paid	(4,782,030)	(663,342)
Remeasurements - actuarial loss/ (gain)	(96,158)	(126,122)
<b>Present value of obligation - March 31, 2019</b>	<b>35,989,725</b>	<b>15,671,982</b>

## (c) Movement in Plan Assets – Gratuity

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Fair value of plan assets at beginning of year	23,752,726	22,297,623
Expected return on plan assets	1,619,218	1,672,322
Employer contributions	-	-
Benefits paid	(4,782,030)	-
Actuarial gain / (loss)	(9,951)	(217,219)
<b>Fair value of plan assets at end of year</b>	<b>20,579,963</b>	<b>23,752,726</b>
Present value of obligation	(35,989,725)	(35,705,936)
Net funded status of plan	20,579,963	23,752,726
<b>Actual return on plan assets</b>	<b>(15,409,762)</b>	<b>(11,953,210)</b>

The components of the gratuity & leave encashment cost are as follows:

## (d) Recognized in profit and loss

Particulars	(Amount in ₹)	
	Gratuity	leave encashment
Current Service cost	3,189,919	1,367,518
Interest cost	3,323,806	912,972
Expected return on plan assets	341,059	-
Remeasurement - Actuarial loss/(gain)	-	(1,803,974)
<b>For the year ended March 31, 2018</b>	<b>6,854,784</b>	<b>476,516</b>
Current Service cost	2,663,358	2,870,599
Plan amendnets past service cost	-	-
Interest cost	879,401	948,199
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	(126,122)
<b>For the year ended March 31, 2019</b>	<b>3,542,759</b>	<b>3,692,676</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(e) **Recognized in other comprehensive income**

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended March 31, 2018</b>	550,970
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended March 31, 2019</b>	<b>(86,207)</b>

(f) **The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:**

(Amount in ₹)

Weighted average actuarial assumptions	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Attrition rate	10% PA	10% PA
Discount Rate	7.58% PA	7.50% PA
Expected Rate of increase in salary	7.58% PA	8% PA
Expected Rate of Return on Plan Assets	7.5 % PA	7.5 % PA
Mortality rate	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	16.73 years	14 years

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(g) **Sensitivity analysis:**

For the year ended March 31, 2018		(Amount in ₹)		
Particulars	change in Assumption	Effect on Gratuity obligation	change in Assumption	Effect on leave encashment obligation
<b>Discount rate</b>	+ 0.5%	34,030,256	+ 1%	12,104,736
	- 0.5%	37,515,513	- 1%	13,232,338
Salary Growth rate	+ 0.5%	37,307,704	+ 1%	13,218,312
	- 0.5%	34,210,928	- 1%	12,107,100
Attrition Rate	+ 0.5%	35,694,510	+ 1%	
	- 0.5%	35,717,362	- 1%	
<b>For the year ended March 31, 2019</b>				
Discount rate	+ 1%	33,172,021	+ 1%	15,040,214
	- 1%	39,234,637	- 1%	16,364,306
Salary Growth rate	+ 1%	39,116,420	+ 1%	16,346,524
	- 1%	33,222,164	- 1%	15,044,124
Attrition Rate	+ 1%	36,021,661	+ 1%	
	- 1%	35,952,143	- 1%	

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

(h) Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in ₹)

Particulars	Gratuity
01 Apr 2019 to 31 Mar 2020	1,457,138
01 Apr 2020 to 31 Mar 2021	2,709,334
01 Apr 2021 to 31 Mar 2022	4,488,095
01 Apr 2022 to 31 Mar 2023	5,128,458
01 Apr 2023 to 31 Mar 2024	2,195,998
01 Apr 2024 Onwards	21,309,366

(i) Statement of Employee benefit provision

(Amount in ₹)

Weighted average actuarial assumptions	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Gratuity	35,989,725	35,705,936
Leave encashment	15,671,982	12,642,648
<b>Total</b>	<b>51,661,707</b>	<b>48,348,584</b>

The following table sets out the funded status of the plan and the amounts recognized in the Company's balance sheet.

(j) Current and non-current provision for gratuity, leave encashment and other benefites

For the year ended March 31, 2018

(Amount in ₹)

Particulars	For the year ended March 31, 2019	
	Gratuity	Leave Encashment
Current provision	764,596	2,205,638
Non current provision	11,188,613	10,437,010
<b>Total Provision</b>	<b>11,953,209</b>	<b>12,642,648</b>
<b>For the year ended March 31, 2019</b>		
Current provision	1,457,138	4,241,258
Non current provision	13,952,624	11,430,724
<b>Total Provision</b>	<b>15,409,762</b>	<b>15,671,982</b>

(k) Employee benefit expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Salaries and Wages	157,487,460	146,026,030
Costs-defined contribution plan	8,407,892	7,981,691
Welfare expenses	5,520,305	5,641,172
<b>Total</b>	<b>171,415,657</b>	<b>159,648,893</b>

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Average no. of people employed	317	311



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## Other Comprehensive Income presentation of defined benefit plan

- Gratuity is defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under Other Comprehensive Income as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

## Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

## 40. Other disclosures

### (a) Auditors Remuneration

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Statutory Auditors</b>		
Audit Fee	1,550,000	1,550,000
Tax Audit Fee	150,000	150,000
Taxation Matters	50,000	50,000
Certification	50,000	50,000
Out of Pocket Expenses	52,586	49,547
<b>Total</b>	<b>1,852,586</b>	<b>1,849,547</b>

### (b) Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.

- Investment made given under the Investment Schedule of balance sheet

## 41. Contingent liabilities

### i) Guarantees

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Financial Bank Guarantees outstanding	29,217,475	50,321,907
Performance Bank Guarantees outstanding	209,107,272	198,009,386
	<b>238,324,747</b>	<b>248,331,293</b>

### ii) Duties & Taxes

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Excise demands under appeal	21,136,416	40,802,484
Service Tax demands under appeal	21,454,859	21,593,235
Custom duty demand due to denial of concessional custom duty, under appeal	1,312,721	4,862,721
	<b>43,903,996</b>	<b>67,258,440</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

### iii) Other contingent liabilities

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Outstanding Bill discounted	124,714,482	111,730,104
Claims Against the Company not acknowledged as Debt	2,580,254	5,205,254

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

### 42. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Property, Plant & Equipment	19,413,561	11,069,073

### 43. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

#### Related party name and relationship

#### a) Subsidiary Companies

Paramount Holdings Limited, Cyprus  
 "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration/Liquidation)  
 AEI Power Cables Limited, United Kingdom

#### b) Other related parties in the Group where common control exists:

Paramount Telecables Limited

#### c) Key Management Personnel

Shri Sanjay Aggarwal, Chairman and CEO  
 Shri Sandeep Aggrawal, Managing Director  
 Shri Shambhu Kumar Agarwal, Chief Financial Officer  
 Ms Tannu Sharma, Company Secretary

#### d) Relatives of Key Managerial Personnel with whom transactions have taken place:

Mrs. Shashi Aggarwal  
 Mrs. Archana Aggarwal  
 Mrs. Kamala Aggarwal  
 Shyam Sunder Aggarwal (HUF)  
 Sanjay Aggarwal (HUF)  
 Sandeep Aggarwal (HUF)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## Related Party Transactions:

(Amount in ₹)

Description	Current Year 2018-19			Previous Year 2017-18			
	Subsidiaries of the Company:	Other related parties in the Group where common control exists:	Key Management Personnel	Subsidiaries of the Company:	Other related parties in the Group where common control exists:	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place :
<b>I Rent Paid</b>							
Paramount Telecables Limited	-	22,166,664	-	-	20,718,330	-	-
<b>II Loan received from Directors</b>							
Mr. Sanjay Aggarwal	-	-	-	-	-	48,250,000	-
Mr. Sandeep Aggarwal	-	-	-	-	-	42,890,000	-
<b>III Loan Repaid to Directors</b>							
Mr. Sanjay Aggarwal			43,675,195				
Mr. Sandeep Aggarwal			35,539,792				
<b>IV Interest on Loans</b>							
Mr. Sanjay Aggarwal	-	-	1,911,627	-	-	194,664	-
Mr. Sandeep Aggarwal	-	-	2,054,405	-	-	166,436	-
<b>V Amount Paid (TDS on Interest)</b>							
Mr. Sanjay Aggarwal	-	-	212,403	-	-	19,466	-
Mr. Sandeep Aggarwal	-	-	228,267	-	-	16,644	-
<b>VI Equity Shares Allotment including share premium</b>							
Mr. Sanjay Aggarwal			53,654,160				
Mr. Sandeep Aggarwal			53,654,160				
Paramount Telecables Limited	-	44,666,020	-	-	18,191,250	-	-
Mrs. Shashi Aggarwal	-	-	19,456,500	-	-	-	32,434,500
Mrs. Archana Aggarwal	-	-	19,334,420	-	-	-	32,434,500
Mrs. Kamala Aggarwal			32,522,951				
Shyam Sunder Aggarwal (HUF)			4,196,500				
Sanjay Aggarwal (HUF)			12,391,120				

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

Description	Current Year 2018-19			Previous Year 2017-18			
	Subsidiaries of the Company:	Other related parties in the Group where common control exists:	Key Management Personnel	Subsidiaries of the Company:	Other related parties in the Group where common control exists:	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place :
VII							
Sandeep Aggarwal (HUF)							
Redemption of 0% Non-Convertible redeemable Preference Shares including premium on redemption	-	-	-	-	92,756,250	-	-
VIII							
Remuneration to Key Managerial Personnel (KMP)							
Mr. Sanjay Aggarwal, Chairman and CEO	-	-	5,839,739	-	-	4,935,969	-
Mr. Sandeep Aggarwal, Managing Director	-	-	5,763,719	-	-	4,866,819	-
Mr. Shambhu Kumar Agarwal, Chief Financial Officer	-	-	2,770,786	-	-	2,480,012	-
Mrs. Tannu Sharma, Company Secretary	-	-	752,231	-	-	675,713	-

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

## Related Party Balances:

(Amount in ₹)

Description	Current Year 2018-19			Previous Year 2017-18			
	Subsidiaries of the Company:	Other related parties in the Group where common control exists:	Key Management Personnel	Subsidiaries of the Company:	Other related parties in the Group where common control exists:	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place :
I Advance given balance outstanding as at year end	7,380,382	-	-	7,380,382	-	-	-
II Provision for Advance as at year end	7,380,392	-	-	7,380,392	-	-	-
III Sundry debtors outstanding as at year end	-	-	-	55,001,966	-	-	-
IV Provision for doubtful debts as at year end	-	-	-	55,001,966	-	-	-
V outstanding of security deposit given for premises taken on rent as at year end	-	18,000,000	-	-	18,000,000	-	-
VI Loan outstanding at the year end	-	-	12,250,000	-	-	91,464,990	-

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

	(Amount in ₹)	
Remuneration to Key Managerial Personnel (KMP)	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Short-Term employee benefits*	13,410,240	11,451,121
Post-Employment benefits		
- Defined contribution plan\$	1,186,706	984,960
- Defined benefit plan#	529,529	522,433
<b>Total</b>	<b>15,126,475</b>	<b>12,958,514</b>

\* Including bonus and commission on accrual basis and value of perquisites

\$ including PF and any other benefit

# including leave encashment, gratuity and any other benefit

#### 44. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Number of shares	
	Year ended March 2019	Year Ended March,2018
Number of Equity Shares at the beginning of the year	142,902,465	125,233,465
Add: Weighted average number of equity shares issued during the year	12,342,466	6,970,784
Add: Weighted average no of Equity Shares for FCCB	11,881,500	781,249
Weighted average number of Equity shares for Basic EPS (A)	167,126,431	132,985,498
Weighted average number of equity shares for Diluted EPS (B)	167,126,431	132,985,498

Net profit /(loss) available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

	(Amount in ₹)	
Particulars	Year Ended March,2019	Year Ended March,2018
Net Profit /(Loss) after Taxation (₹)	291,596,426	146,929,741
Basic Earnings per Share (₹)	1.74	1.10
Diluted Earnings per Share (₹)	1.74	1.10
Par Value of each Equity Share (₹)	2	2

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

#### 45. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- midterm market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

**Operating margins:** Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

**Growth rates:** The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

**Capital expenditures:** The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required

## 46. Exceptional Items

Description of exceptional items -Profit	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Written Back on Settlement of Loan Liabilities	-	227,514,631
Written Back of Interest	-	42,479,331
<b>Total</b>	<b>-</b>	<b>269,993,962</b>

## 47. Foreign currency fluctuation on long term borrowing

The Company has opted to continue the policy to capitalize foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS -101, on all long term foreign currency borrowings outstanding on 31<sup>st</sup> March 2016. Accordingly, the Company has capitalized such exchange fluctuation to Property, Plant and Equipment of ₹ Nil and ₹ 144,000/-) for the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 respectively.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2019

Details are as below:

Assets	(Amount in ₹)	
	Financial Year 2018-19	Financial Year 2017-18
Building	-	45,732
Plant and Equipment	-	90,520
Furniture & Fixtures	-	5,125
Software	-	2,623
<b>Total</b>	-	<b>144,000</b>

#### 48. Operating Lease:

The Company has entered into lease transactions mainly for leasing of storage / office premises and company leased accommodations for its employees for periods up to 9 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. There are no subleases. The Operating lease payments recognized in the Profit & Loss account amount to ₹ 23,677,704/- (Previous year ₹ 22,433,324/- for the leases, which commenced on or after 27<sup>th</sup> December, 2018).

Minimum lease payments under non-cancellable operating leases are:

Particulars	(Amount in ₹)	
	Financial Year 2018-19	Financial Year 2017-18
Minimum Lease Payments		
- Not Later than one Year	<b>26,666,664</b>	20,666,664
- Later than one year but not later than five year	<b>106,666,656</b>	14,499,998
- Later than five Years	<b>99,999,990</b>	-

49. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

50. Notes 1 to 49 are annexed and form integral part of Financial Statements.

#### As per our Report of even date attached

For **P. Bholusaria & Co.**  
 Chartered Accountants  
 Firm Registration No.: 000468N

#### **Pawan Bholusaria**

Partner (M.No.: 80691)  
 Place : New Delhi  
 Date : 4<sup>th</sup> May 2019

#### For and on behalf of Paramount Communications Limited

#### **(Sanjay Aggarwal)**

Chairman & CEO  
 DIN No.: 00001788

#### **(S K Aggarwal)**

Chief Financial Officer  
 Mem No.: 053595

#### **(Sandeep Aggarwal)**

Managing Director  
 DIN No.: 00002646

#### **(Tannu Sharma)**

Company Secretary  
 Mem No.: ACS 30622



# Independent Auditors' Report

To,  
The Members of  
**Paramount Communications Limited**

## Opinion

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of **Paramount Communications Limited** ("the Company") and its subsidiaries hereinafter referred to as the "Group" to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2019, their consolidated profit (including Other Comprehensive Income), their consolidated cash flows and consolidated statement of Changes in Equity for the year ended on that date.

## Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	How our audit addressed the key audit matter
Provision of Doubtful Debts	<ol style="list-style-type: none"> <li>We Obtain a detailed age analysis of the year end of debtors and test the analysis for a selection of the balances;</li> <li>Obtain an analysis of the provision for doubtful debts;</li> <li>Scrutinize the analysis and identify those debts which appear doubtful;</li> <li>Discuss with management their reasons, if any of these debts are not included in the provision for bad debts;</li> <li>Reach a final conclusion regarding the adequacy of the bad debts provision.</li> </ol>
Accuracy of Recognition, Measurement, Presentation and Disclosure of Revenue	We assessed the company's process to identify the impact of the new revenue accounting standard.
Impairment of Assets	We perform the analytical procedure to assess the impairment loss and review the market value for impairment loss as per IND AS 36.

## Information Other than the consolidated financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

(a) The financial statements of two subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ Nil and net assets of ₹ Nil as at 31<sup>st</sup> March, 2019, total revenue of ₹ Nil and net profit of ₹ Nil, and net cash inflows of ₹ Nil for the year then ended have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the afore said subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law maintained by the Company, including relevant records relating to preparation of the aforesaid consolidated financial

statements have been kept so far as it appears from our examination of those books and records of the Company.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).
- e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 41 the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2019
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2019
- h. The managerial remuneration for the year ended 31<sup>st</sup> March, 2019 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**(Pawan Bholusaria)**

Place: New Delhi  
Date: 4<sup>th</sup> May 2019

Partner  
M.No. 080691

## Annexure “A” to Independent Auditors’ Report

Referred to in paragraph 9(f) of the Independent Auditors’ Report of even date to the Board of Directors of **Paramount Communications Limited** on the Consolidated financial statements for the year ended 31<sup>st</sup> March 2019

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **Paramount Communications Limited** (“the Company”) as of 31<sup>st</sup> March 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act is not applicable to subsidiary companies which are companies not incorporated in India.

### Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**(Pawan Bholusaria)**

Place: New Delhi  
Date: 4<sup>th</sup> May 2019

Partner  
M.No. 080691

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2019

Particulars	Note No.	(Amount in ₹)	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>I. Assets</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	5	<b>1,317,512,801</b>	1,295,595,628
(b) Other Intangible assets	6	<b>6,096,578</b>	7,702,287
(c) Financial Assets			
(i) Investments	7	<b>1</b>	1
(ii) Loans and Advances	8	<b>252,042</b>	117,160
(iii) Others	9	<b>156,387,612</b>	115,046,248
(d) Other non-current assets	10	<b>7,374,778</b>	6,033,362
		<b>1,487,623,812</b>	<b>1,424,494,686</b>
<b>2 Current assets</b>			
(a) Inventories	11	<b>777,790,400</b>	277,927,069
(b) Financial Assets			
(i) Trade Receivables	12	<b>2,134,384,391</b>	1,886,061,778
(ii) Cash and cash equivalents	13	<b>19,364,771</b>	26,520,457
(iii) Bank Balances other than (ii) above	14	<b>101,054,977</b>	167,666,626
(iv) Loans and Advances	15	<b>4,142,636</b>	3,251,256
(v) Others	16	<b>35,424,941</b>	30,222,929
(c) Current Tax Assets(Net)	17	<b>11,733,375</b>	5,107,413
(d) Other current assets	18	<b>118,134,524</b>	79,531,079
		<b>3,202,030,015</b>	<b>2,476,288,607</b>
<b>Total Assets</b>		<b>4,689,653,827</b>	<b>3,900,783,293</b>
<b>II. Equity and Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	19	<b>343,567,930</b>	285,804,930
(b) Other Equity	20	<b>1,070,621,444</b>	577,281,812
		<b>1,414,189,374</b>	<b>863,086,742</b>
<b>2 Liabilities</b>			
(i) Non-current liabilities			
(a) Financial Liabilities			
Borrowing	21	<b>1,959,739,026</b>	1,884,250,000
(b) Provisions	22	<b>25,383,348</b>	21,625,623
		<b>1,985,122,374</b>	<b>1,905,875,623</b>
(ii) Current liabilities			
(a) Financial Liabilities			
(i) Short Term Borrowing	23	<b>12,250,000</b>	91,464,990
(ii) Trade payables	24		
Due to Micro and Small Enterprises		<b>26,612,148</b>	8,849,598
Others		<b>1,006,399,423</b>	905,079,140
(iii) Other	25	<b>166,411,119</b>	96,228,978
(b) Other current liabilities	26	<b>72,970,993</b>	27,227,988
(c) Provisions	27	<b>5,698,396</b>	2,970,234
		<b>1,290,342,079</b>	<b>1,131,820,928</b>
<b>Total Equity and Liabilities</b>		<b>4,689,653,827</b>	<b>3,900,783,293</b>

III. See accompanying notes to the financial statements with Notes

1 to 50

As per our Report of even date attached

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

For and on behalf of Paramount Communications Limited

**(Sanjay Aggarwal)**  
Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**  
Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**  
Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**  
Company Secretary  
Mem No.: ACS 30622

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2019

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Revenue :</b>			
I. Revenue from operations	28	6,144,633,022	4,423,374,186
II. Other income	29	33,075,792	40,912,208
<b>III. Total Income (I + II)</b>		<b>6,177,708,814</b>	<b>4,464,286,394</b>
<b>IV. Expenses:</b>			
Cost of material consumed	30	5,019,576,657	3,581,804,713
Change in Inventories of finished goods, work-in-progress and scrap	31	(316,963,609)	(86,033,209)
Employee benefits expenses	32	171,415,657	159,648,893
Finance costs	33	79,761,633	44,835,791
Depreciation and amortization	34	86,393,135	92,250,492
Excise Duty		-	91,812,158
Other Expenses	35	845,928,915	703,031,777
<b>Total Expenses (IV)</b>		<b>5,886,112,388</b>	<b>4,587,350,615</b>
V. Profit/(loss) Before exceptional items and Tax (III - IV)		291,596,426	(123,064,221)
VI. Exceptional items (refer note no 46)		-	269,993,962
VII. Profit/(Loss) before tax (V - VI)		291,596,426	146,929,741
VIII. Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Total Tax Expense (VIII)</b>		<b>-</b>	<b>-</b>
IX. Profit/(loss) for the year (VII - VIII)		291,596,426	146,929,741
X. Comprehensive Income			
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Re-measurement gains/ (losses) on defined benefit plans		86,207	(550,970)
Income tax effect on above		-	-
		86,207	(550,970)
XI. Total Comprehensive Income for the year (IX + X) (Comprehensive profit and other comprehensive income for the year)		291,682,633	146,378,771
XII. Earnings Per Equity Share:			
(1) Basic		1.74	1.10
(2) Diluted		1.74	1.10

See accompanying notes to the financial statements with Notes 1 to 50

**As per our Report of even date attached**

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**

Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

**For and on behalf of Paramount Communications Limited****(Sanjay Aggarwal)**

Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**

Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**

Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**

Company Secretary  
Mem No.: ACS 30622

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>(A) Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation</b>	<b>291,596,426</b>	<b>(123,064,221)</b>
Adjustment for :		
Depreciation, amortization and impairment	86,393,135	92,250,492
Interest Expenses	76,814,979	39,926,592
Interest on fair valuation of Preference Share	-	1,612,005
Amortization of security premium of Preference Share	-	(935,290)
Exchange Loss on FCCB	-	156,000
Income on sales of Mutual Funds	(849,403)	-
Loss / (Profit) on sale of assets(net)	40,099	-
Interest Income	(26,333,536)	(30,609,143)
Interest Income on fair valuation of Security Deposit	(1,751,386)	(1,444,720)
Bad debts written off	150,090,174	27,519,623
Provision for Doubtful debts/ Written back	(149,321,536)	(23,978,085)
	<b>135,082,526</b>	<b>104,497,474</b>
<b>Operating Profit before working capital changes</b>	<b>426,678,952</b>	<b>(18,566,747)</b>
Adjustment for :		
Decrease / (Increase) in Trade Receivables	(249,091,251)	(727,593,751)
Decrease / (Increase) in Loans & Advances	(1,026,262)	4,459,988
Decrease / (Increase) in Inventories	(499,863,331)	(144,821,687)
Decrease / (Increase) in Other Assets	(84,736,851)	125,011,005
(Decrease) / Increase in Trade Payables	119,082,833	722,066,322
(Decrease) / Increase in Other Liabilities & Provisions	53,330,575	(42,659,261)
	<b>(662,304,287)</b>	<b>(63,537,384)</b>
<b>Cash generated from operation</b>	<b>(235,625,335)</b>	<b>(82,104,131)</b>
Exceptional items		
Gain/(Loss) on Fair Valuation of Borrowing	-	269,993,962
Income Tax Paid	(6,625,962)	13,143,790
	<b>(6,625,962)</b>	<b>283,137,752</b>
<b>Net Cash from Operating Activities</b>	<b>(242,251,297)</b>	<b>201,033,621</b>
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets including Capital WIP	(107,663,354)	(17,616,239)
Sale of Fixed Assets	918,655	-
Interest Received	26,333,536	30,609,143
Sales of Mutual Funds (Net)	849,403	-
	<b>(79,561,760)</b>	<b>12,992,904</b>
<b>Net Cash From Investing Activities</b>	<b>(79,561,760)</b>	<b>12,992,904</b>



# Consolidated Cash Flow Statement (Contd...)

for the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>(C) Cash Flow from Financing Activities</b>		
Interest paid	(76,814,979)	(39,926,592)
Increase/(Decrease) in Borrowings from banks / ARC /NBFC	144,655,691	(227,775,297)
Redemption of 0% Non-Convertible Redeemable Preference Shares	-	(92,756,250)
Loan From Directors	(79,214,990)	91,464,990
Issue of Equity Share Capital with premium	259,420,000	92,762,250
	<b>248,045,722</b>	<b>(176,230,899)</b>
<b>Net Cash from Financing Activities</b>	<b>248,045,722</b>	<b>(176,230,899)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(73,767,335)</b>	<b>37,795,626</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>194,187,083</b>	<b>156,391,457</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>120,419,748</b>	<b>194,187,083</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(73,767,335)</b>	<b>37,795,626</b>

**Note:**

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)
- Foreign currency convertible bonds included redemption premium on FCCBs amounting to ₹ 737,420,062 has been converted in to Equity Share Capital during the year.
- Cash and cash equivalents consist of cash in hand and balances with banks.
- Borrowings from banks/ARC is net of repayments
- Figures in brackets represent outflow of cash.

**As per our Report of even date attached**

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

**For and on behalf of Paramount Communications Limited**

**(Sanjay Aggarwal)**  
Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**  
Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**  
Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**  
Company Secretary  
Mem No.: ACS 30622

# Consolidated Statement of Changes In Equity

for the year ended 31<sup>st</sup> March 2019

## A. Equity share capital

	Balance as at 31 <sup>st</sup> March 2017	Changes in equity share capital during the year 2017-18	Balance as at 31 <sup>st</sup> March 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 <sup>st</sup> March 2019
	250,466,930	35,338,000	285,804,930	57,763,000	343,567,930

## B. Other Equity

Particulars	Reserve and Surplus			Items of Other comprehensive Income items that will not be classified to profit and loss	Total
	Equity component of convertible instruments	Equity component of compound financial instruments	Re-measurement of net defined benefit Plans		
Balance as at 31 <sup>st</sup> March 2017	-	7,864,573	3,031,100	(2,919,030)	(363,005,981)
Total Comprehensive Income for the year 2017-18			146,929,741		146,929,741
Addition during the year			57,424,250		57,424,250
Premium on redemption of Preference Shares			(935,290)		(935,290)
Re-measurement of net defined benefit Plans				(550,970)	(550,970)
Equity component of compound financial instruments transferred to retain earning	(7,864,573)			7,864,573	-
Foreign currency convertible bond	73,742,062				73,742,062
Balance as at 31 <sup>st</sup> March 2018	737,420,062	-	3,031,100	(916,046,019)	577,281,812
Total Comprehensive Income for the year 2018-19			291,596,426		291,596,426
Addition during the year			201,656,999		201,656,999
Re-measurement of net defined benefit Plans				86,207	86,207
Foreign currency convertible bond transfer to Equity and share premium	(737,420,062)				-
Balance as at 31 <sup>st</sup> March 2019	-	-	3,031,100	(3,383,793)	1,070,621,444

### As per our Report of even date attached

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No. : 000468N

Pawan Bholusaria  
Partner (M.No. : 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

### For and on behalf of Paramount Communications Limited

(Sanjay Aggarwal)  
Chairman & CEO  
DIN No. : 00001788

(S K Aggarwal)  
Chief Financial Officer  
Mem No. : 053595

(Sandeep Aggarwal)  
Managing Director  
DIN No. : 00002646

(Tannu Sharma)  
Company Secretary  
Mem No. : ACS 30622

# Significant Accounting Policies and Notes to Consolidated Financial Statement

## for the year ended 31<sup>st</sup> March 2019

### 1. Corporate and General Information

Paramount Communications Limited (“PCL”) or (“the Company”) is domiciled and incorporated in India. The Company is engaged in manufacturing business of Wires and Cables.

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For these consolidated financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

Information of principal shareholders of the Parent is provided in Note no 19.

The Consolidated financial statement for the year ended 31<sup>st</sup> March 2019 are adopted and authorized for issue by board of directors of the Parent on dated 4<sup>th</sup> May 2019.

### 2. Basis of preparation

The consolidated financial statements have been prepared complying in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs (“MCA”). The Company has consistently applied the accounting policies used in the preparation for all periods presented

The significant accounting policies used in preparing the consolidated financial statements are set out in Note no.3 of the Notes to the consolidated financial statements.

The preparation of the consolidated financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates

The Consolidated Financial Statements include the results of the following entities:

Name of Company	Country of incorporation	Relationship	Ownership Interest
Paramount Holdings Limited (PHL)	Cyprus	Subsidiary	100.00%
AEI Power Cables Limited (APCL)	United Kingdom	Subsidiary	100.00%

Financial statements of Paramount Holdings Limited, Cyprus are drawn in Euro and AEI Power Cables Limited, United Kingdom are drawn in Sterling Pound.

and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.4 on critical accounting estimates, assumptions and judgements).

#### Basis of Consolidation

The consolidated financial statements have been prepared on the following principles:

The consolidated financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standards (IND AS 110) on “Consolidated financial Statements” notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard ) Rule 2015 as amended time to time .

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Exchange Fluctuation Reserve.

# Significant Accounting Policies and Notes to Consolidated Financial Statement

for the year ended 31<sup>st</sup> March 2019

“06196375 Cables Limited” (formerly AEI Cables Limited), United Kingdom is “in Administration/Liquidation” (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014. The company has provided full impairment of investment in earlier years. Therefore, consolidated financial statements do not include financial position, financial performance and cash flows of this company.

AEI Power Cables Limited, United Kingdom has ceased to trade. From 1<sup>st</sup> April 2017 it is dormant company.

The board of directors of Paramount Holdings Limited, Cyprus are taking steps to liquidate Paramount holdings Limited.

## 3 Significant Accounting Policies

### 3.1 Basis of Measurement

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities carried at amortized cost,
- defined benefit plans – plan assets measured at fair value,

The consolidated financial statements are presented in Indian Rupees, which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees.

### 3.2 Property, Plant and Equipment

- a) Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.
- b) Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis

or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Category of Assets	Years
- Leasehold Land	Lease period
<b>Equipment &amp; Machinery</b>	
- Building	30-60
- Plant and Machinery	15-25
- Electric Installation	10
- Furniture and Fixtures	10
- Computer equipment	3
- Office furniture and equipment	5
- Vehicles	8
- Software	

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

### 3.3 Intangible Assets

**Identifiable intangible assets are recognized:**

- a) when the Company controls the asset,
- b) it is probable that future economic benefits attributed to the asset will flow to the Company and
- c) the cost of the asset can be reliably measured.

Computer software’s are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of license, generally not exceeding five years on straight line basis. The assets’ useful lives are reviewed at each financial year end.

### 3.4 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying

# Significant Accounting Policies and Notes to Consolidated Financial Statement

## for the year ended 31<sup>st</sup> March 2019

amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes Cash on hand and at bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

### 3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

### 3.7 Employee benefits

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations

carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognized as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

### 3.8 Foreign currency reinstatement and translation

#### (a) Functional and presentation currency

The consolidated financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognized in profit or loss. Differences arising on settlement of monetary items are also recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined.

# Significant Accounting Policies and Notes to Consolidated Financial Statement

for the year ended 31<sup>st</sup> March 2019

Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to such exchange difference.

### 3.9 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorization. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

#### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counter party is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognized in a separate provision for impairment and the impairment losses are recognized in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognized in provision for impairment and the change in impairment losses are recognized in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

#### Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

#### Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognized initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account. Other borrowings are measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective rate of interest (EIR). The EIR amortization is included in finance costs in the Statement of Profit and Loss.

#### Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course

# Significant Accounting Policies and Notes to Consolidated Financial Statement

## for the year ended 31<sup>st</sup> March 2019

of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### 3.10 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

### 3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in such cases the tax is also recognized directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognized in equity or other comprehensive income is also recognized in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilized. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilized.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

# Significant Accounting Policies and Notes to Consolidated Financial Statement

for the year ended 31<sup>st</sup> March 2019

## 3.12 Revenue recognition and Other income

### Sale of Goods

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts and volume rebates are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty. Material returned/ rejected is accounted for in the year of return/ rejection.

### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## 3.13 Recent accounting development

### Standards issued but not yet effective:

Ind AS 116 was notified by Ministry of Corporate Affairs on 30<sup>th</sup> March 2019 and it is applicable for annual reporting periods beginning on or after 1<sup>st</sup> April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets. The company is evaluating the same in the financial statement going forward.

## 3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

## 3.15 Provisions and contingencies

### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

### Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated financial statements. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

## 3.16 Operating Lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of



# Significant Accounting Policies and Notes to Consolidated Financial Statement

## for the year ended 31<sup>st</sup> March 2019

the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### 3.17 Current /non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realized or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realized within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or

- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognized in the financial statement:

### (a) Property, plant and equipment

External adviser and internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

### (b) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

### (c) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

# Significant Accounting Policies and Notes to Consolidated Financial Statement

for the year ended 31<sup>st</sup> March 2019

**(d) Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**(e) Fair valuation of Financial Assets and Liabilities**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The input to these models are taken from observable

markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(f) Defined Benefit Plan**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 5. Property, Plant and equipment

	Freehold Land	Lease hold Land	Buildings	Plant and Equipment	Furniture and Fixture	Lease hold Building improvement	Vehicles	Office Equipment	Total
(Amount in ₹)									
<b>Gross Block</b>									
As at 31 <sup>st</sup> March 2017	230,235,130	290,187,000	219,025,986	693,267,052	17,199,156	5,234,030	4,226,616	5,317,711	1,464,692,681
Additions	-	-	45,732	15,095,010	267,445	-	217,575	1,147,195	16,772,957
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	230,235,130	290,187,000	219,071,718	708,362,062	17,466,601	5,234,030	4,444,191	6,464,906	1,481,465,638
Additions	-	-	-	104,607,453	236,970	-	108,429	2,181,502	107,134,354
Disposals/Adjustments	-	-	-	(787,814)	-	-	(302,577)	-	(1,090,391)
As at 31 <sup>st</sup> March 2019	230,235,130	290,187,000	219,071,718	812,181,701	17,703,571	5,234,030	4,250,043	8,646,408	1,587,509,601
<b>Accumulated Depreciation</b>									
As at 31 <sup>st</sup> March 2017	-	3,468,378	8,493,735	73,909,175	5,808,306.44	1,602,170	1,243,648	1,200,079	95,725,491
Depreciation charge for the year	-	3,468,378	8,631,730	70,531,466	4,150,343	1,491,782	701,308	1,169,512	90,144,519
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	-	6,936,755	17,125,465	144,440,641	9,958,649	3,093,952	1,944,956	2,369,591	185,870,010
Depreciation charge for the year	-	3,468,378	8,631,730	67,082,203	1,762,764	1,491,782	409,729	1,411,840	84,258,426
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	(131,636)	-	-	-	-	(131,636)
As at 31 <sup>st</sup> March 2019	-	10,405,133	25,757,195	211,391,208	11,721,413	4,585,734	2,354,685	3,781,431	269,996,800
<b>Net Carrying Amount</b>									
As at 31 <sup>st</sup> March 2018	230,235,130	283,250,245	201,946,253	563,921,421	7,507,951	2,140,077	2,499,235	4,095,315	1,295,595,628
As at 31 <sup>st</sup> March 2019	230,235,130	279,781,867	193,314,523	600,790,493	5,982,157	648,295	1,895,358	4,864,977	1,317,512,801

Note:-

- 1) Property, plant and equipment is hypothecated for long term borrowings from banks/Assets Reconstruction Company and NBFC. (Refer note no. 21)
- 2) Title deeds of factory land measuring 3,108.72 sq. mtr.at Prahladpur, Bawana Road, Delhi of ₹ 60,417,500 are yet to be registered/transferred in the name of company.
- 3) The Company has capitalized exchange fluctuation to Property, Plant and Equipment. (Refer Note no 47)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 6. Intangible Assets

(Amount in ₹)

Particulars	Other Intangibles (Software)	Total
<b>Gross Block</b>		
As at 31 <sup>st</sup> March 2017	<b>9,979,847</b>	<b>9,979,847</b>
Addition during the year	987,282	987,282
Adjustment	-	-
As at 31 <sup>st</sup> March 2018	<b>10,967,129</b>	<b>10,967,129</b>
Addition during the year	529,000	529,000
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>11,496,129</b>	<b>11,496,129</b>
<b>Accumulated Depreciation</b>		
As at 31 <sup>st</sup> March 2017	<b>1,158,870</b>	<b>1,158,870</b>
Charge for the year	2,105,972	2,105,972
Impairment	-	-
As at 31 <sup>st</sup> March 2018	<b>3,264,842</b>	<b>3,264,842</b>
Charge for the year	2,134,709	2,134,709
Impairment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>5,399,551</b>	<b>5,399,551</b>
<b>Net Carrying Amount</b>		
As at 31 <sup>st</sup> March 2018	<b>7,702,287</b>	<b>7,702,287</b>
<b>As at 31<sup>st</sup> March 2019</b>	<b>6,096,578</b>	<b>6,096,578</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 7. Non Current Investments

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2019			As at 31 <sup>st</sup> March 2018		
	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
<b>Long Term-Non Trade (unquoted)</b>						
<b>In Subsidiaries</b>						
06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom. In administration liquidation	20000	£1 each	1	20000	£1 each	1
<b>Total</b>			<b>1</b>			<b>1</b>
<b>Aggregate amount of unquoted investment (Market value)</b>			<b>1</b>			<b>1</b>
<b>Grand Total</b>			<b>1</b>			<b>1</b>
<b>Aggregate value of quoted investments</b>			-			-
<b>Aggregate Market value of quoted investments</b>			-			-
<b>Aggregate value of unquoted investments</b>			<b>76</b>			<b>76</b>
<b>Aggregate amount of impairment in value of investments</b>			<b>75</b>			<b>75</b>

Aggregate Provision for diminution in value of investments has been made keeping in view that subsidiary "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration/Liquidation w.e.f 28<sup>th</sup> February, 2014. The company has provided full impairment of investment in earlier years. Therefore, consolidated financial statements do not include financial position, financial performance and cash flows of this company.

## 8. Non Current Loans and Advances

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Staff Loans and Advances</b>		
Secured, considered good		
Unsecured, considered good		
Loan Receivables which have significant increase in credit Risk	252,042	117,160
Loan Receivables- credit impaired		
<b>Total</b>	<b>252,042</b>	<b>117,160</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 9. Non Current Other Financial Assets (Unsecured, considered good)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Security Deposits		
to related party *	-	12,451,798
to others	<b>13,751,625</b>	14,276,336
Interest Accrued but not due on fair valuation of Security Deposit to related party	-	2,752,159
Bank Deposits (with remaining maturity of more than 12 months)**	<b>136,003,014</b>	79,364,731
Interest Accrued but not due on fixed deposits	<b>6,632,973</b>	6,201,224
	<b>156,387,612</b>	<b>115,046,248</b>

\* Security Deposit to Paramount Telecables Limited for Premises taken on rent by the company and adjustable/refundable as per terms & conditions of the lease agreement

\*\*Under lien/custody with banks.

## 10. Other Non-Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Capital Advance	<b>7,374,778</b>	4,988,704
Deferred Lease Rent	-	1,044,658
<b>Total</b>	<b>7,374,778</b>	<b>6,033,362</b>

## 11. Inventories

(as taken, valued and certified by the management)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Raw Material	<b>317,866,843</b>	138,294,285
Work- in -progress	<b>161,205,544</b>	45,133,643
Finished goods	<b>270,132,731</b>	70,508,995
Stores and Spares	<b>15,796,468</b>	13,844,609
Packing materials	<b>5,810,578</b>	4,435,273
Scrap	<b>6,978,236</b>	5,710,264
<b>Total inventories</b>	<b>777,790,400</b>	<b>277,927,069</b>

## 12. Trade Receivables

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Secured, considered good	-	-
Unsecured, considered good	<b>2,134,384,391</b>	1,886,061,778
Trade Receivables which have significant increase in credit Risk	<b>57,409,442</b>	206,730,978
Trade Receivables- credit impaired	<b>(57,409,442)</b>	(206,730,978)
<b>Total Trade Receivables</b>	<b>2,134,384,391</b>	<b>1,886,061,778</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 13. Cash and Cash equivalents

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Balances with banks		
On current accounts	16,077,266	23,014,997
Cash on hand	3,287,505	3,505,460
	<b>19,364,771</b>	<b>26,520,457</b>

## 14. Other Bank Balances

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	101,054,977	167,666,626
	<b>101,054,977</b>	<b>167,666,626</b>

\*Under lien/custody with banks.

## 15. Current Loans and Advances

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Others Loans and Advances:</b>		
Secured, considered good		
Unsecured, considered good		
- Employees Loans	1,299,181	1,298,831
- Employees Advances	2,843,455	1,952,425
Loan Receivables which have significant increase in credit Risk		
Loan Receivables- credit impaired	-	-
	<b>4,142,636</b>	<b>3,251,256</b>

## 16. Other Financial Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Earnest Money Deposits	6,124,386	7,416,176
<b>Security Deposits</b>		
to related party *	18,000,000	-
to others	846,024	876,024
Interest Accrued but not due on fixed deposits	10,454,531	21,930,729
	<b>35,424,941</b>	<b>30,222,929</b>

\* Security Deposit to Paramount Telecables Limited for Premises taken on rent by the company are refundable.

## 17. Current Tax Assets (Net)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Current Tax Assets (Net of Provision)	11,733,375	5,107,413
	<b>11,733,375</b>	<b>5,107,413</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 18. Other Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Advances to contractors and suppliers	33,607,980	41,505,822
Balance with GST Authorities	33,556,350	21,680
Amount Recoverable from Government*	35,086,080	32,803,404
Prepaid Expenses	15,884,114	3,698,991
Deferred Lease Rent	-	1,501,182
<b>Total</b>	<b>118,134,524</b>	<b>79,531,079</b>

\* represents sales tax, cenvat credit etc.

## 19. Equity Share capital

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Authorized share capital</b>		
250,000,000 (31 <sup>st</sup> March 2018- 250,000,000) Equity Shares of ₹ 2/-each	500,000,000	500,000,000
1,000,000 (31 <sup>st</sup> March 2018- 1,000,000) Redeemable Preference Shares of ₹ 100/- each	100,000,000	100,000,000
	<b>600,000,000</b>	<b>600,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b>		
171,783,965 (March 2018 -142,902,465) Equity Shares of ₹ 2/- each fully paid up	343,567,930	285,804,930
	<b>343,567,930</b>	<b>285,804,930</b>
* Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:	NIL	NIL
<b>Reconciliation of the number of equity shares and share capital</b>		
Shares outstanding as at the beginning of the year	142,902,465	125,233,465
Add: Shares issued during the year	28,881,500	17,669,000
<b>Shares outstanding as at the end of the year</b>	<b>171,783,965</b>	<b>142,902,465</b>

### List of Shareholders holding more than 5% of the aggregate Shares:

Name of the shareholders	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding
M/s Paramount Telecables Limited	31,243,500	18.19	28,316,500	19.82
M/s April Investment and Finance Pvt. Ltd.	13,040,172	7.59	13,040,172	9.13
Mrs. Shashi Aggarwal	9,762,800	5.68	8,487,800	5.94
Mr. Sanjay Aggarwal	9,342,100	5.44	5,826,100	4.08
Mr. Sandeep Aggarwal	9,248,300	5.38	5,732,300	4.01



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 20. Other Equity

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>(A) Accumulated profit and Loss</b>		
Opening Balance	(916,046,019)	(1,070,840,333)
Add: Net profit for the year	291,596,426	146,929,741
Equity component of compound financial instruments transferred	-	7,864,573
<b>Total of A</b>	<b>(624,449,593)</b>	<b>(916,046,019)</b>
<b>(B) Other Reserves</b>		
<b>Items of Other comprehensive Income</b>		
Re-measurement gains (losses) on defined benefit plans		
Opening Balance	(3,470,000)	(2,919,030)
Addition during the year	86,207	(550,970)
	<b>(3,383,793)</b>	<b>(3,470,000)</b>
<b>General Reserve</b>		
Opening Balance	25,403,272	25,403,272
Addition during the year	-	-
	<b>25,403,272</b>	<b>25,403,272</b>
<b>Equity component of compound financial instruments</b>		
Opening Balance	-	7,864,573
Equity component of compound financial instruments transferred to retain earning	-	(7,864,573)
	-	-
<b>Capital Reserve</b>		
Opening Balance	3,031,100	3,031,100
Addition during the year	-	-
	<b>3,031,100</b>	<b>3,031,100</b>
<b>Security Premium</b>		
Opening Balance	730,943,397	674,454,437
Add During the Year	939,077,061	57,424,250
Less: Provision for Premium on redemption of Preference Shares	-	935,290
	<b>1,670,020,458</b>	<b>730,943,397</b>
<b>Equity component of convertible instruments</b>		
Opening Balance	737,420,062	-
Add During the Year	-	737,420,062
Less : Transfer to Share Capital and Share Premium	(737,420,062)	-
	-	<b>737,420,062</b>
<b>Total of B</b>	<b>1,695,071,037</b>	<b>1,493,327,831</b>
<b>Total (A+B)</b>	<b>1,070,621,444</b>	<b>577,281,812</b>

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2019

Retained Earnings represent the undistributed profits of the Company

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in other comprehensive income. OCI is classified into (i). Items that will not be reclassified to profit and loss. (ii). Items that will be reclassified to profit and loss.

General reserve represents the statutory reserve, this is in accordance with Indian corporate law wherein a portion of profit is apportioned to General Reserve. Under Companies Act 1956 it was mandatory to transfer amount before a company can declare dividend. however under Companies Act 2013 transfer of any amount to General Reserve is at the discretion of the company.

Securities Premium Reserve represents the amount received in excess of per value of securities (equity share, preference shares and debentures). Premium on redemption of securities is accounted in security premium available. Where security premium is not available, premium on redemption of securities is accounted in statement of Profit and Loss. section 52 of Companies Act 2013 specify restriction and utilization of security premium.

Capital Reserve represents project subsidy from State Government.

### 21. Borrowings Designated at fair value through profit and loss account

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Secured</b>		
Term Loans		
From Securitisation and Assets Reconstruction Company (ARC)	<b>1,750,000,000</b>	1,806,500,000
From Financial Institution	<b>77,750,000</b>	77,750,000
From Non Banking Financial Company	<b>131,989,026</b>	-
<b>Total</b>	<b>1,959,739,026</b>	<b>1,884,250,000</b>

#### Nature of Security :-

##### Term Loan from Banks/Securitisation and Assets Reconstruction Company (ARC)

Term loans from banks/Securitisation and Assets Reconstruction Company (ARC) are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 39,674,457 equity shares out of 97,410,597 equity shares of the company held by Promoters/ Promoters Group Companies.

##### Term Loan from Financial Institution

Loan from Financial Institution is secured against surrender value/ maturity value of keyman insurance policy of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company.

##### Term Loan from Non Banking Financial Company

Term loans from Non Banking Financial Company are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

(Amount in ₹)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
9.5 %	-	-	-	77,750,000
16.0%	72,727,272	60,606,062	-	-
0%	214,800,000	1,435,200,000	100,000,000	-
<b>Total</b>	<b>287,527,272</b>	<b>1,495,806,062</b>	<b>100,000,000</b>	<b>77,750,000</b>

## 22. Provisions

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Provisions for employee benefits</b>		
Provision for Gratuity	13,952,624	11,188,613
Provision for Leave Encashment	11,430,724	10,437,010
	<b>25,383,348</b>	<b>21,625,623</b>

## 23. Borrowings

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Unsecured</b>		
<b>From Related Parties</b>		
Loan From Directors	12,250,000	91,464,990
	<b>12,250,000</b>	<b>91,464,990</b>

## 24. Trade Payables

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Due to Micro, Small & Medium Enterprises*	26,612,148	8,849,598
Others	1,006,399,423	905,079,140
<b>Total</b>	<b>1,033,011,571</b>	<b>913,928,738</b>

\*Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 25. Other Financial Liabilities

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Current maturities of long term debts	123,166,666	54,000,000
Other Financial Liabilities	43,244,453	42,228,978
<b>Total</b>	<b>166,411,119</b>	<b>96,228,978</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 26. Other Current Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Advance from customers	66,071,038	12,747,024
Statutory Dues Payable	6,899,955	14,480,964
<b>Total</b>	<b>72,970,993</b>	<b>27,227,988</b>

## 27. Provisions

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
<b>Provisions for employee benefits</b>		
Provision for Gratuity	1,457,138	764,596
Provision for Leave Encashment	4,241,258	2,205,638
<b>Total</b>	<b>5,698,396</b>	<b>2,970,234</b>

## 28. Revenue from operations

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>a) Sale of Products</b>		
Manufactured goods	6,079,165,228	4,383,722,548
<b>b) Other Operating Revenue</b>		
Export benefits	9,576,068	2,241,066
Scrap	55,891,726	37,410,572
	<b>6,144,633,022</b>	<b>4,423,374,186</b>

## 29. Other Income

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Interest on refund of income-tax	-	1,051,742
Interest on Fixed Deposit	17,440,689	19,575,893
Interest Income - Others	8,892,847	9,981,508
Insurance Claim Received	-	264,001
Income on sales of Mutual Funds	849,403	-
Miscellaneous Income	401,993	11,900
Exchange Fluctuation (Net)*	3,739,474	8,582,444
Interest Income on fair valuation of Security Deposit	1,751,386	1,444,720
	<b>33,075,792</b>	<b>40,912,208</b>

\* Refer Note No 36

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 30. Cost of Materials Consumed

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Raw Material consumed</b>		
Opening stock	138,294,285	82,069,415
Add: Purchases	5,199,149,215	3,638,029,583
Less: Closing stock	317,866,843	138,294,285
<b>Raw Material consumed</b>	<b>5,019,576,657</b>	<b>3,581,804,713</b>

## 31. Changes in Inventories

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Opening Stock</b>		
- Finished Stock	70,508,995	21,111,782
- Work in Progress	45,133,643	15,825,849
- Scrap	5,710,264	909,162
	<b>121,352,902</b>	<b>37,846,793</b>
<b>Less: Closing Stock</b>		
- Finished Stock	270,132,731	70,508,995
- Work in Progress	161,205,544	45,133,643
- Scrap	6,978,236	5,710,264
	<b>438,316,511</b>	<b>121,352,902</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(316,963,609)</b>	<b>(83,506,109)</b>
Excise duty on account of increase/(decrease) on stock of finished goods	-	(2,527,100)
<b>Total (Increase)/Decrease in Stock</b>	<b>(316,963,609)</b>	<b>(86,033,209)</b>

## 32. Employee Benefits Expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Salaries and wages	157,487,460	146,026,030
Contribution to provident and other funds	8,407,892	7,981,691
Workmen and Staff Welfare	5,520,305	5,641,172
<b>Total</b>	<b>171,415,657</b>	<b>159,648,893</b>

## 33. Finance Cost

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Interest on Loans	22,261,294	8,748,076
Interest on Bills Discounting & others	54,553,685	31,178,516
Interest on fair valuation of Preference Share	-	1,612,005
Other Borrowing Cost	2,790,962	3,297,194
Loan Processing Fees amortized	155,692	-
<b>Total</b>	<b>79,761,633</b>	<b>44,835,791</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 34. Depreciation and amortization

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Property Plant and Equipment	84,258,426	90,144,519
Intangible Assets	2,134,709	2,105,973
<b>Total</b>	<b>86,393,135</b>	<b>92,250,492</b>

## 35. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Stores, Spares & Consumables	29,870,798	27,463,482
Packing Expenses	135,210,689	115,154,948
Power and Fuel	137,175,239	116,359,900
Rent	23,677,704	22,433,324
Amortized Cost of Rent on fair valuation of Security Deposit	1,501,181	1,501,181
Repair and Maintenance		
- Plant and Machinery	35,470,578	20,944,742
- Building	3,896,645	2,597,578
- Others	1,984,519	5,189,920
Insurance	3,256,824	3,229,016
Rates and Taxes	590,336	587,977
Auditor's Remuneration	1,852,586	1,849,547
Conversion Charges	5,343,892	4,616,676
Labour Charges	114,871,146	93,655,142
Commission and Brokage	15,727,482	9,671,679
Rebate and Discount	5,498,170	2,092,967
Freight, Octroi & cartage	116,003,371	107,119,355
Provision for doubtful debts	-	-
Bad Debts written off	150,090,174	27,519,623
Less: Provision for doubtful debts written back	149,321,536	23,978,085
Travelling and Conveyance	36,122,006	30,827,915
Advertisement and Publicity	1,190,417	1,121,053
Communication Expenses	7,142,279	5,127,294
Loss on sale/disposal of Fixed Assets	40,099	-
Donations	2,072,002	942,000
Professional Charges	92,495,912	67,816,447
Business Promotion Expenses	29,622,334	18,094,327
Printing and Stationary	5,085,823	3,996,575
Security Charges	8,244,056	7,801,094
Testing Charges	7,864,386	11,908,684
Directors Meeting Fee	1,200,000	1,375,000
Miscellaneous Expenses	22,149,803	16,012,416
<b>Total</b>	<b>845,928,915</b>	<b>703,031,777</b>

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2019

### 36. Financial risk management

#### Financial risk factors

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has short term trade receivable and bank deposits which are under lien with banks for availing credit facilities. The Company's activities expose it to a variety of financial risks:

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019.

#### ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

#### iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

#### Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

#### (a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee. However, the Company has transactions in USD, Euro, and GBP. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk, though not material.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2019

The following table demonstrates the sensitivity in the USD, Euro & GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	(Amount in ₹)
			Effect on profit/(loss) before tax
<b>For the year ended 31<sup>st</sup> March 2019</b>			
US\$	(190,416)	+ 5%	(662,121)
		-5%	662,121
GBP	287,611	+ 5%	1,282,101
		-5%	(1,282,101)
<b>For the year ended 31<sup>st</sup> March 2018</b>			
US\$	176,162	+ 5%	568,149
		-5%	(568,149)
EURO	(815)	+ 5%	(3,322)
		-5%	3,322
GBP	124,466	+ 5%	568,500
		-5%	(568,500)

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Net Foreign Exchange gain shown as other income	<b>3,739,474</b>	8,582,444

### (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at fixed rate and hence, there is no interest risk sensitivity. Weighted average cost of borrowing is 13.70% for the year ended 31<sup>st</sup> March 2019 (10.85% for the year ended 31<sup>st</sup> March 2018) excluding borrowings which are assigned/negotiated with banks with no interest liability.

### Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks which are under lien with banks for availing credit facilities.

- Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

The ageing analysis of trade receivables as of the reporting date is as follows:

(Amount in ₹)

Particulars	Neither due nor impaired	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
<b>As at 31<sup>st</sup> March 2019</b>					
<b>Trade receivable</b>					
Unsecured	1,413,080,976	602,460,491	49,046,436	69,796,488	2,134,384,391
Significant increase in credit Risk	-	-	-	57,409,442	57,409,442
<b>Gross Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>127,205,930</b>	<b>2,191,793,833</b>
Credit impaired	-	-	-	57,409,442	57,409,442
<b>Net Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>69,796,488</b>	<b>2,134,384,391</b>
<b>As at 31<sup>st</sup> March 2018</b>					
<b>Trade receivable</b>					
Unsecured	749,794,903	943,574,492	58,161,213	134,531,170	1,886,061,778
Significant increase in credit Risk	-	-	-	206,730,978	206,730,978
<b>Gross Total</b>	<b>749,794,903</b>	<b>943,574,492</b>	<b>58,161,213</b>	<b>341,262,148</b>	<b>2,092,792,756</b>
Credit impaired	-	-	-	206,730,978	206,730,978
<b>Net Total</b>	<b>749,794,903</b>	<b>943,574,492</b>	<b>58,161,213</b>	<b>134,531,170</b>	<b>1,886,061,778</b>

## Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall, promoters envisage to infuse capital and loans.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Amount in ₹)

Particulars	Carrying Amount	On demand	Ageing as on 31 <sup>st</sup> March 2019			Total
			< 6 months	6-12 months	> 1 years	
Borrowings	2,096,500,000	-	69,553,030	65,863,636	1,961,083,334	2,096,500,000
Trade payable	1,033,011,571	-	1,033,011,571	-	-	1,033,011,571
Other liabilities	116,215,446	-	116,215,446	-	-	116,215,446
<b>Total</b>	<b>3,245,727,017</b>	<b>-</b>	<b>1,218,780,047</b>	<b>65,863,636</b>	<b>1,961,083,334</b>	<b>3,245,727,017</b>
Ageing as on 31 <sup>st</sup> March 2018						
Borrowings	2,029,714,990	-	27,000,000	118,464,990	1,884,250,000	2,029,714,990
Trade payable	913,928,738	-	913,928,738	-	-	913,928,738
Other liabilities	69,456,965	-	69,456,965	-	-	69,456,965
<b>Total</b>	<b>3,013,100,693</b>	<b>-</b>	<b>1,010,385,703</b>	<b>118,464,990</b>	<b>1,884,250,000</b>	<b>3,013,100,693</b>

## Capital risk management

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company's primary objective when managing capital is to ensure the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2018-19 and 2017-18 is an under.

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Loans and borrowings	2,095,155,692	2,029,714,990
Less: cash and cash equivalents	19,364,771	26,520,457
Net debt	2,075,790,921	2,003,194,533
Equity	1,414,189,374	863,086,742
Total capital	3,489,980,295	2,866,281,275
Gearing ratio	59.48%	69.89%

The Company envisage healthy gearing ratio in forthcoming year/s.

### 37. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognized in the consolidated financial statements.

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortized cost</b>				
Fixed deposits with banks	237,057,991	237,057,991	247,031,357	247,031,357
Cash and bank balances	19,364,771	19,364,771	26,520,457	26,520,457
Investment	1	1	1	1
Trade and other receivables	2,138,779,069	2,138,779,069	1,889,430,194	1,889,430,194
Other financial assets	55,809,538	55,809,538	65,904,446	65,904,446
	<b>2,451,011,370</b>	<b>2,451,011,370</b>	<b>2,228,886,455</b>	<b>2,228,886,455</b>
<b>Financial liabilities designated at amortized cost</b>				
Borrowings- fixed rate	-	-	-	-
Trade & other payables	1,033,011,571	1,033,011,571	913,928,738	913,928,738
Other financial liabilities	43,244,453	43,244,453	42,228,978	42,228,978
<b>Financial liabilities designated at fair value through profit and loss</b>				
Borrowings- fixed rate	2,095,155,692	2,095,155,692	2,029,714,990	2,029,714,990
	<b>3,171,411,716</b>	<b>3,171,411,716</b>	<b>2,985,872,706</b>	<b>2,985,872,706</b>

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for the year ended 31<sup>st</sup> March 2019

## Fair Value hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

## Assets / Liabilities for which fair value is disclosed

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2019		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,095,155,692	
Other Financial Liabilities		43,244,453	
		As at 31 <sup>st</sup> March 2018	
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,029,714,990	
Other Financial Liabilities		42,228,978	

During the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019, respectively:

### a) Assets / Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities			
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## 38. Segment information

### Information about primary segment

The Company operates in a Single Primary Segment (Business Segment) i.e. Wire and Cables.

### Information about Geographical Segment – Secondary

The Company's operations are located in India. The Management has not identified any geographical segment.

## 39. Retirement benefit obligations

### (a) Expense recognized for Defined Contribution plan

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Company's contribution to provident fund	7,583,287	6,874,904
Company's contribution to ESI	824,605	1,106,787
<b>Total</b>	<b>8,407,892</b>	<b>7,981,691</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018, being the respective measurement dates:

### (b) Movement in obligation

Particulars	(Amount in ₹)	
	Gratuity (funded)	leave encashment (unfunded)
<b>Present value of obligation - 1<sup>st</sup> April, 2017</b>	26,845,079	13,042,464
Current service cost	3,189,919	1,367,518
Plan amendnets past service cost	3,323,806	-
Interest cost	2,013,381	912,972
Benefits paid	-	(876,332)
Remeasurements - actuarial loss/ (gain)	333,751	(1,803,974)
<b>Present value of obligation - 31<sup>st</sup> March, 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>
<b>Present value of obligation - 1<sup>st</sup> April, 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>
Current service cost	2,663,358	2,870,599
Plan amendnets past service cost	-	-
Interest cost	2,498,619	948,199
Benefits paid	(4,782,030)	(663,342)
Remeasurements - actuarial loss/ (gain)	(96,158)	(126,122)
<b>Present value of obligation - March 31, 2019</b>	<b>35,989,725</b>	<b>15,671,982</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## (c) Movement in Plan Assets – Gratuity

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Fair value of plan assets at beginning of year	23,752,726	22,297,623
Expected return on plan assets	1,619,218	1,672,322
Employer contributions	-	-
Benefits paid	(4,782,030)	-
Actuarial gain / (loss)	(9,951)	(217,219)
<b>Fair value of plan assets at end of year</b>	<b>20,579,963</b>	<b>23,752,726</b>
Present value of obligation	(35,989,725)	(35,705,936)
Net funded status of plan	20,579,963	23,752,726
<b>Actual return on plan assets</b>	<b>(15,409,762)</b>	<b>(11,953,210)</b>

The components of the gratuity & leave encashment cost are as follows:

## (d) Recognized in profit and loss

Particulars	(Amount in ₹)	
	Gratuity	leave encashment
Current Service cost	3,189,919	1,367,518
Interest cost	3,323,806	912,972
Expected return on plan assets	341,059	-
Remeasurement - Actuarial loss/(gain)	-	(1,803,974)
<b>For the year ended March 31, 2018</b>	<b>6,854,784</b>	<b>476,516</b>
Current Service cost	2,663,358	2,870,599
Plan amendments past service cost	-	-
Interest cost	879,401	948,199
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	(126,122)
<b>For the year ended March 31, 2019</b>	<b>3,542,759</b>	<b>3,692,676</b>

## (e) Recognized in other comprehensive income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended March 31, 2018</b>	550,970
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended March 31, 2019</b>	<b>(86,207)</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

- (f) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

(Amount in ₹)

Weighted average actuarial assumptions	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Attrition rate	10% PA	10% PA
Discount Rate	7.58% PA	7.50% PA
Expected Rate of increase in salary	7.58% PA	8% PA
Expected Rate of Return on Plan Assets	7.5 % PA	7.5 % PA
Mortality rate	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	16.73 years	14 years

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

- (g) Sensitivity analysis:

For the year ended March 31, 2018

(Amount in ₹)

Particulars	change in Assumption	Effect on Gratuity obligation	change in Assumption	Effect on leave encashment obligation
<b>Discount rate</b>	+ 0.5%	34,030,256	+ 1%	12,104,736
	- 0.5%	37,515,513	- 1%	13,232,338
Salary Growth rate	+ 0.5%	37,307,704	+ 1%	13,218,312
	- 0.5%	34,210,928	- 1%	12,107,100
Attrition Rate	+ 0.5%	35,694,510	+ 1%	
	- 0.5%	35,717,362	- 1%	
<b>For the year ended March 31, 2019</b>				
Discount rate	+ 1%	33,172,021	+ 1%	15,040,214
	- 1%	39,234,637	- 1%	16,364,306
Salary Growth rate	+ 1%	39,116,420	+ 1%	16,346,524
	- 1%	33,222,164	- 1%	15,044,124
Attrition Rate	+ 1%	36,021,661	+ 1%	
	- 1%	35,952,143	- 1%	

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

- (h) Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in ₹)

Particulars	Gratuity
01 Apr 2019 to 31 Mar 2020	1,457,138
01 Apr 2020 to 31 Mar 2021	2,709,334
01 Apr 2021 to 31 Mar 2022	4,488,095
01 Apr 2022 to 31 Mar 2023	5,128,458
01 Apr 2023 to 31 Mar 2024	2,195,998
01 Apr 2024 Onwards	21,309,366

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## (i) Statement of Employee benefit provision

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Weighted average actuarial assumptions		
Gratuity	35,989,725	35,705,936
Leave encashment	15,671,982	12,642,648
<b>Total</b>	<b>51,661,707</b>	<b>48,348,584</b>

The following table sets out the funded status of the plan and the amounts recognized in the Company's balance sheet.

## (j) Current and non-current provision for Gratuity and leave encashment

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
<b>For the year ended March 31, 2018</b>		
Current provision	764,596	2,205,638
Non current provision	11,188,613	10,437,010
<b>Total Provision</b>	<b>11,953,209</b>	<b>12,642,648</b>
<b>For the year ended March 31, 2019</b>		
Current provision	1,457,138	4,241,258
Non current provision	13,952,624	11,430,724
<b>Total Provision</b>	<b>15,409,762</b>	<b>15,671,982</b>

## (k) Employee benefit expenses

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Particulars		
Salaries and Wages	157,487,460	146,026,030
Costs-defined contribution plan	8,407,892	7,981,691
Welfare expenses	5,520,305	5,641,172
<b>Total</b>	<b>171,415,657</b>	<b>159,648,893</b>

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Particulars		
Average no. of people employed	317	311

### Other Comprehensive Income presentation of defined benefit plan

- Gratuity is defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under Other Comprehensive Income as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

### Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2019

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

### 40. Other disclosures

#### (a) Auditors Remuneration

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Statutory Auditors</b>		
Audit Fee	1,550,000	1,550,000
Tax Audit Fee	150,000	150,000
Taxation Matters	50,000	50,000
Certification	50,000	50,000
Out of Pocket Expenses	52,586	49,547
<b>Total</b>	<b>1,852,586</b>	<b>1,849,547</b>

#### (b) Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.

- Investment made given under the Investment Schedule of balance sheet

### 41. Contingent liabilities

#### i) Guarantees

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Financial Bank Guarantees outstanding	29,217,475	50,321,907
Performance Bank Guarantees outstanding	209,107,272	198,009,386
	<b>238,324,747</b>	<b>248,331,293</b>

#### ii) Duties & Taxes

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Excise demands under appeal	21,136,416	40,802,484
Service Tax demands under appeal	21,454,859	21,593,235
Custom duty demand due to denial of concessional custom duty, under appeal	1,312,721	4,862,721
	<b>43,903,996</b>	<b>67,258,440</b>



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

## iii) Other contingent liabilities

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Outstanding Bill discounted	124,714,482	111,730,104
Claims Against the Company not acknowledged as Debt	2,580,254	5,205,254

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

## 42. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Property, Plant & Equipment	19,413,561	11,069,073

## 43. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

### Related party name and relationship

- a) Other related parties in the Group where common control exists:
  - Paramount Telecables Limited
- b) Key Management Personnel
  - Shri Sanjay Aggarwal, Chairman and CEO
  - Shri Sandeep Aggarwal, Managing Director
  - Shri Shambhu Kumar Agarwal, Chief Financial Officer
  - Ms Tannu Sharma, Company Secretary
- c) Relatives of Key Managerial Personnel with whom transactions have taken place:
  - Mrs. Shashi Aggarwal
  - Mrs. Archana Aggarwal
  - Mrs. Kamala Aggarwal
  - Shyam Sunder Aggarwal (HUF)
  - Sanjay Aggarwal (HUF)
  - Sandeep Aggarwal (HUF)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

Description	Current Year 2018-19				Previous Year 2017-18			
	Other related parties in the Group where common control exists:	Key Management Personnel	Key Management Personnel	Relatives of Key Management Personnel with whom transactions have taken place :	Other related parties in the Group where common control exists:	Key Management Personnel	Key Management Personnel	Relatives of Key Management Personnel with whom transactions have taken place :
<b>I Rent Paid</b>								
Paramount Telecables Limited	22,166,664	-	-	-	20,718,330	-	-	-
<b>II Loan received from Directors</b>								
Mr. Sanjay Aggarwal	-	-	-	-	-	48,250,000	-	-
Mr. Sandeep Aggarwal	-	-	-	-	-	42,890,000	-	-
<b>III Loan Repaid to Directors</b>								
Mr. Sanjay Aggarwal		43,675,195						
Mr. Sandeep Aggarwal		35,539,792						
<b>IV Interest on Loans</b>								
Mr. Sanjay Aggarwal	-	1,911,627	-	-	-	194,664	-	-
Mr. Sandeep Aggarwal	-	2,054,405	-	-	-	166,436	-	-
<b>V Amount Paid (TDS on Interest)</b>								
Mr. Sanjay Aggarwal	-	212,403	-	-	-	19,466	-	-
Mr. Sandeep Aggarwal	-	228,267	-	-	-	16,644	-	-
<b>VI Equity Shares Allotment including share premium</b>								
Mr. Sanjay Aggarwal		53,654,160						
Mr. Sandeep Aggarwal		53,654,160						
Paramount Telecables Limited	44,666,020	-	-	-	18,191,250	-	-	-
Mrs. Shashi Aggarwal	-	-	19,456,500	-	-	-	32,434,500	-
Mrs. Archana Aggarwal	-	-	19,334,420	-	-	-	32,434,500	-
Mrs. Kamala Aggarwal	-	-	32,522,951	-	-	-	-	-
Shyam Sunder Aggarwal (HUF)	-	-	4,196,500	-	-	-	-	-
Sanjay Aggarwal (HUF)	-	-	12,391,120	-	-	-	-	-
Sandeep Aggarwal (HUF)	-	-	19,544,169	-	-	-	-	-
<b>VII Redemption of 0% Non -Convertible redeemable Preference Shares including premium on redemption</b>								
	-	-	-	-	92,756,250	-	-	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

Description	Current Year 2018-19		Previous Year 2017-18	
	Other related parties in the Group where common control exists:	Key Management Personnel	Other related parties in the Group where common control exists:	Key Management Personnel
<b>VIII Remuneration to Key Managerial Personnel (KMP)</b>				
Mr. Sanjay Aggarwal, Chairman and CEO	-	5,839,739	-	4,935,969
Mr. Sandeep Aggrawal, Managing Director	-	5,763,719	-	4,866,819
Mr. Shambhu Kumar Agarwal, Chief Financial Officer	-	2,770,786	-	2,480,012
Mrs. Tannu Sharma, Company Secretary	-	752,231	-	675,713

## Related Party Balances:

Description	Current Year 2018-19		Previous Year 2017-18	
	Other related parties in the Group where common control exists:	Key Management Personnel	Other related parties in the Group where common control exists:	Key Management Personnel
I outstanding of security deposit given for premises taken on rent as at year end	18,000,000	-	18,000,000	-
II Loan outstanding at the year end	-	12,250,000	-	91,464,990

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

	(Amount in ₹)	
Remuneration to Key Managerial Personnel (KMP)	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Short-Term employee benefits*	13,410,240	11,451,121
Post-Employment benefits		
- Defined contribution plan\$	1,186,706	984,960
- Defined benefit plan#	529,529	522,433
<b>Total</b>	<b>15,126,475</b>	<b>12,958,514</b>

\* Including bonus and commission on accrual basis and value of perquisites

\$ including PF and any other benefit

# including leave encashment, gratuity and any other benefit

#### 44. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Number of shares	
	Year ended March 2019	Year Ended March, 2018
Number of Equity Shares at the beginning of the year	142,902,465	125,233,465
Add: Weighted average number of equity shares issued during the year	12,342,466	6,970,784
Add: Weighted average no of Equity Shares for FCCB	11,881,500	781,249
Weighted average number of Equity shares for Basic EPS (A)	167,126,431	132,985,498
Weighted average number of equity shares for Diluted EPS (B)	167,126,431	132,985,498

Net profit /(loss) available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

	(Amount in ₹)	
Particulars	Year Ended March, 2019	Year Ended March, 2018
Net Profit /(Loss) after Taxation (₹)	291,596,426	146,929,741
Basic Earnings per Share (₹)	1.74	1.10
Diluted Earnings per Share (₹)	1.74	1.10
Par Value of each Equity Share (₹)	2	2

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

#### 45. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2019

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- midterm market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required

### 46. Exceptional Items

Particulars	(Amount in ₹)	
	Year Ended March, 2019	Year Ended March, 2018
Written Back on Settlement of Loan Liabilities	-	227,514,631
Written Back of Interest	-	42,479,331
<b>Total</b>	-	<b>269,993,962</b>

### 47. Foreign currency fluctuation on long term borrowing

The Company has opted to continue the policy to capitalize foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS -101, on all long term foreign currency borrowings outstanding on 31<sup>st</sup> March 2016. Accordingly, the Company has capitalized such exchange fluctuation to Property, Plant and Equipment of ₹ Nil and ₹ 144,000/-) for the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2018 respectively

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2019

Details are as below:

Particulars	(Amount in ₹)	
	Financial Year 2018-19	Financial Year 2017-18
Building	-	45,732
Plant and Equipment	-	90,520
Furniture & Fixtures	-	5,125
Software	-	2,623
<b>Total</b>	<b>-</b>	<b>144,000</b>

#### 48. Operating Lease:

The Company has entered into lease transactions mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 9 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. There are no subleases. The Operating lease payments recognized in the Profit & Loss account amount to ₹ 23,677,704/- (Previous year ₹ 22,433,324/- for the leases, which commenced on or after 27<sup>th</sup> December 2018).

Minimum lease payments under non-cancellable operating leases are:

Particulars	(Amount in ₹)	
	As at March 31, 2019	As at March 31, 2018
Minimum Lease Payments		
- Not Later than one Year	<b>26,666,664</b>	20,666,664
- Later than one year but not later than five year	<b>106,666,656</b>	14,499,998
- Later than five Years	<b>99,999,990</b>	-

49. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

50. Notes 1 to 49 are annexed and form integral part of Consolidated financial statements.

#### As per our Report of even date attached

For **P. Bholusaria & Co.**  
Chartered Accountants  
Firm Registration No.: 000468N

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
Place : New Delhi  
Date : 4<sup>th</sup> May 2019

#### For and on behalf of Paramount Communications Limited

**(Sanjay Aggarwal)**  
Chairman & CEO  
DIN No.: 00001788

**(S K Aggarwal)**  
Chief Financial Officer  
Mem No.: 053595

**(Sandeep Aggarwal)**  
Managing Director  
DIN No.: 00002646

**(Tannu Sharma)**  
Company Secretary  
Mem No.: ACS 30622

# Notice

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of PARAMOUNT COMMUNICATIONS LIMITED will be held at Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003 on Tuesday, the 24<sup>th</sup> day of September 2019 at 3.00 P.M. to transact the following businesses:

## ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2019 and the Balance Sheet as on that date, and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Aggarwal (**DIN: 00001788**), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESSES:

### 3. Re-appointment of Mr. Vijay Bhushan as Independent Director for another term of five years

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with applicable Rules framed thereunder Mr. Vijay Bhushan (DIN: 00002421), be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) years with effect from 1<sup>st</sup> April 2019 up to 31<sup>st</sup> March 2024, as per recommendation of Nomination and Remuneration Committee”

### 4. Appointment of Mr. Vijay Maheshwari as Independent Director for a term of five years

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, read with Schedule IV of the said Act, Mr. Vijay Maheshwari (DIN : 00216687), who was appointed as an Additional Director of the Company with effect from 1<sup>st</sup> April, 2019 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent

Director of the Company to hold office for a term up to five consecutive years commencing from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024, as per recommendation of Nomination and Remuneration Committee.”

### 5. Revision in Remuneration of Sh. Sanjay Aggarwal, CEO & Chairman of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198 read with Schedule V & as per Articles of Association of the Company & all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the approval of members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Sanjay Aggarwal (DIN No. 00001788), Chairman & CEO of the Company at a Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 15.00 Lakhs per month apart from Company's Contribution to Provident Fund, Leave encashment (if any) in accordance with the rules and regulations of the Company and gratuity at rate not exceeding 15 days's salary for each completed year of service and on the terms and conditions as set out in the explanatory statement annexed hereto, with effect from 1<sup>st</sup> April, 2019.

### 6. Revision in Remuneration of Sh. Sandeep Aggarwal, Managing Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198 read with Schedule V & as per Articles of Association of the Company & all other applicable provisions of the Companies Act, 2013 (including any statutory

modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the approval of members of the Company be and is hereby accorded to the revision in the remuneration of Mr. Sandeep Aggarwal (DIN No.00002646), Managing Director of the Company at a Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 15.00 Lakhs per month apart from Company's Contribution to Provident Fund, Leave encashment (if any) in accordance with the rules and regulations of the Company and gratuity at rate not exceeding 15 days's salary for each completed year of service and on the terms and conditions as set out in the explanatory statement annexed hereto, with effect from 1<sup>st</sup> April, 2019.

**7. Ratification of Remuneration of M/s Jain Sharma & Associates, Cost Accountant for the financial year 2019-20**

To consider and if thought fit, pass with or without modification(s), the following resolution as an *Ordinary Resolution*:

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. Jain Sharma & Associates, Cost Accountants, to conduct the audit of the cost accounts maintained by the Company for the financial year ending 31st March 2020 be paid remuneration of ₹ 50,000/- (Rupees Fifty Thousand only) plus Goods and Services Tax and out of pocket expenses, in performance of their duties.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this Resolution.”

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

**(Rashi Goel)**

Company Secretary  
M. No.: FCS9577

Place: New Delhi  
Dated: 14.08.2019

**NOTES:**

1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. PROXY FORM IS ATTACHED HEREWITH.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2 Members/proxies should bring the attendance slip duly filled in for attending the meeting.

3 Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendee at the meeting.

4 A brief resume of each of the Directors proposed to be appointed/ re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership/ chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in Annexure 1.

5 Electronic copy of the Annual Report for FY 2018- 19 is uploaded on the Company's website **www.paramountcables.com** and is being sent to all the Members whose email IDs are registered with the Company/RTA for communication purposes, unless any Member has requested for a physical copy of the same. Members are requested to support Green initiative by registering/ updating their e-mail addresses with the Company/RTA or with Link Intime India Private Limited, the Registrar and Transfer Agent ("RTA") of the Company. Electronic copy of this Notice of the 25th AGM is uploaded on the Company's website **www.paramountcables.com** and also on the website of National Securities Depository Limited viz. <https://www.evoting.nsdl.com> inter alia indicating the process and manner of e-voting along with Attendance



- Slip and Proxy Form and the same is being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes, unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of this Notice and the Annual Report for FY 2018-19 are being sent through permitted mode. For any communication, the Members may also send requests to the Company's email ID: investors@paramountcables.com
- 6 Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office at Paramount House, C-125, Naraina Industrial Area ,Phase-1, New Delhi-110028 on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.
  - 7 The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the RTA of the Company/Company.
  - 8 SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
  - 9 The Register of Members and Share Transfer Book of the Company shall remain closed from Wednesday, the 18<sup>th</sup> September, 2019 to Tuesday, the 24<sup>th</sup> September, 2019 (both days inclusive) in connection with the Annual General Meeting.
  - 10 The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.
  11. In order to scrutinize the e-voting process in a fair and transparent manner and to carry out the required activities, the Company has appointed Shri Abhishek Mittal, M/s. Abhishek Mittal & Associates, Company Secretaries, as the Scrutinizer.
  12. No gifts/coupons will be distributed by the Company.
  13. Shareholders are requested to bring their copy of the Annual Report to the meeting.
  14. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of business under Item Nos. 3 to 7 set out above is annexed hereto.
  15. Information and other instructions relating to e-voting are given with e-voting communication.
 

The remote e-voting facility will be available during the following voting period:

    - A. Commencement of remote e-voting: From 9.00 a.m. (IST) on 21<sup>st</sup> September, 2019.
    - B. End of remote e-voting: Up to 5:00 p.m. (IST) on 23<sup>rd</sup> September, 2019.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

    1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
    2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- |   |   |
|---|---|
| <p>a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.</p> <p>b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.</p> <p>c) How to retrieve your 'initial password'</p> <p>(i) If your email ID is registered in your demat account or with the company, your initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.</p> <p>(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.</p> | <p>c) If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> mentioning your demat account number/folio number, your PAN, your name and your registered address.</p> <p>d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.</p> |
|---|---|

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the checkbox.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
8. The results declared along with the scrutinizer's report shall be placed on the website of the Company.
9. Subject to receipt of the sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting;

### GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (Abhishek Mittal, M/s Abhishek Mittal & Associates, Company Secretaries) by e-mail to [abhishekcs21@gmail.com](mailto:abhishekcs21@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800- 222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Members may cast their votes separately for each business to be transacted in the Annual General Meeting. For example, a member may cast his vote in favour of some resolution and may cast not in favour/ against some resolution. A member may also elect not to vote on some resolution.
5. Once the vote on a resolution is casted by the member, he shall not be allowed to change or modify it subsequently;
6. Member can log in any number of times till he has voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of e-votes), whichever is earlier.
7. Members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If member opts for e-voting, then he does not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be ignored.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No 3.

Mr. Vijay Bhushan is an Independent Non-Executive Director of the Company and chairman of the Nomination and Remuneration Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company in the year 2000. Pursuant to the Act, Mr. Vijay Bhushan, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 31st March, 2019, by the Members of the Company in the 20<sup>th</sup> AGM held on 26<sup>th</sup> September, 2014. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Vijay Bhushan, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 1<sup>st</sup> April, 2019 up to 31<sup>st</sup> March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

Copy of the draft letter for appointment of Mr. Vijay Bhushan as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11:00 am to 1:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Vijay Bhushan as an Independent Director for another term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, for the approval by the shareholders of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mr. Vijay Bhushan are in any way concerned or interested, financially or otherwise in the resolution.

#### **Item No 4**

The Board of Directors of the Company had appointed Mr. Vijay Maheshwari as an Additional Director with effect from 1<sup>st</sup> April, 2019 pursuant to provisions of Section 161 of the Companies Act, 2013; he shall hold the office of Directorship up to the date of the forthcoming Annual General Meeting.

In terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Vijay Maheshwari has also been designated as Independent Director of the Company (subject to the approval of the members at the forthcoming Annual General Meeting) within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from 1<sup>st</sup> April, 2019; and his office shall not be liable to retire by rotation. However, in the event of resignation or removal by shareholders, his office can terminate even before five years.

Mr. Vijay Maheshwari is a fellow member of the Institute of Chartered Accountants of India. Mr. Maheshwari with a standing of over 40 years has a wide range of experience in lending, project finance, auditing and financial restructuring.

Mr. Vijay Maheshwari is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Vijay Maheshwari that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The disclosure and declaration as an Independent Director are available for inspection at the registered office of the Company during business hours.

Except Mr. Vijay Maheshwari, being an appointee, none of the Directors of the Company is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

#### **Item No. 5**

In accordance with Section II of Part II of Schedule V of the Companies Act, 2013 read with notification dated 12.09.2018 states that, where in any financial year during the currency of tenure of a managerial person, a company has no profits or its

profits are inadequate, it may, pay remuneration to the managerial person, where the effective capital is ₹ 100 Cr and above but less than ₹ 250 Cr, then limit of yearly remuneration payable shall not exceed Rupees One Hundred Twenty Lakhs (₹ 120 Lakhs) in a year; provided that the remuneration in excess of above limits may be paid, if a special resolution passed by the shareholders.

The Nomination and Remuneration Committee, in its meeting held on 04.05.2019, recommended and the Board of Directors in its meeting held on 04.05.2019, approved the payment of remuneration of ₹ 12.50 Lakhs per month and perquisites on actual basis i.e. Car with driver, Electricity, club membership upto 3 clubs and other perquisites, subject to the maximum of ₹ 180.00 Lakhs per annum apart from Company's Contribution to Provident Fund, Leave encashment (if any) in accordance with the rules and regulations of the Company and gratuity at rate not exceeding 15 days's salary for each completed year of service to Mr. Sanjay Aggarwal, Chairman & CEO of the Company, subject to the approval of shareholders of the Company.

Salary: Basic Pay of ₹ 12.50 Lakhs /- per month and perquisites incurred on actual basis for Mr. Sanjay Aggarwal, Chairman & CEO;

Apart from above Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service.

Pursuant to the requirements of Schedule V of the Companies Act, 2013, the approval of the shareholders by means of Special Resolution is sought for the revision in remuneration of Sh. Sanjay Aggarwal, Chairman & CEO of the Company, in excess of the limits specified in Schedule V of the Companies Act, 2013.

The Board of Directors of Company considers that the proposed remuneration is commensurate with the duties and responsibilities entrusted on Mr. Sanjay Aggarwal as Chairman & CEO of the Company.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, as per the requirement of Schedule V, Section II clause (ii) of the Companies Act, 2013.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

The Information required under Section II, Part II of Schedule V of the Companies Act, 2013 is annexed hereto.

**Item No. 6**

In accordance with Section II of Part II of Schedule V of the Companies Act, 2013 read with notification dated 12.09.2018 states that, where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person, where the effective capital is ₹ 100 Cr and above but less than ₹ 250 Cr, then limit of yearly remuneration payable shall not exceed Rupees One Hundred Twenty Lakhs (₹ 120 Lakhs) in a year; provided that the remuneration in excess of above limits may be paid, if a special resolution passed by the shareholders.

The Nomination and Remuneration Committee, in its meeting held on 04.05.2019, recommended and the Board of Directors in its meeting held on 04.05.2019, approved the payment of remuneration of ₹ 12.50 Lakhs per month and perquisites on actual basis i.e. Car with driver, Electricity, club membership upto 3 clubs and other perquisites, subject to the maximum of ₹ 180.00 Lakhs per annum apart from Company's Contribution to Provident Fund, Leave encashment (if any) in accordance with the rules and regulations of the Company and gratuity at rate not exceeding 15 days's salary for each completed year of service to Mr. Sandeep Aggarwal, Managing Director of the Company, subject to the approval of shareholders of the Company.

Salary: Basic Pay of ₹ 12.50 Lakhs /- per month and perquisites incurred on actual basis for Mr. Sandeep Aggarwal, Managing Director.

Apart from above Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service.

Pursuant to the requirements of Schedule V of the Companies Act, 2013, the approval of the shareholders by means of Special Resolution is sought for the revision in remuneration of Sh. Sandeep Aggarwal, Managing Director of the Company, in excess of the limits specified in Schedule V of the Companies Act, 2013.

The Board of Directors of Company considers that the proposed remuneration is commensurate with the duties and responsibilities entrusted on Mr. Sandeep Aggarwal, Managing Director of the Company.

It is hereby confirmed that the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, as per the requirement of Schedule V, Section II clause (ii) of the Companies Act, 2013.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

The Information required under Section II, Part II of Schedule V of the Companies Act, 2013 is annexed hereto.

**Item No 7**

The Board of Directors at their meeting held on 4<sup>th</sup> May, 2019, based on the recommendations of the Audit Committee, had appointed M/s. Jain Sharma & Associates, a firm of Cost Accountants as Cost Auditors of the Company for the purpose of auditing the cost records maintained by the company for the financial year 2019-20 and also fixed their remuneration for the said purpose of ₹ 50,000/- (Rupees Fifty Thousand Only) and out of pocket expenses plus Taxes thereon.

Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the Directors, Key Managerial Personnel or any of their relatives is concerned or interested, financially or otherwise, in this resolution.

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

**(Rashi Goel)**

Company Secretary  
M. No.: FCS9577

Dated: 14.08.2019  
Place: New Delhi

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:

**I. GENERAL INFORMATION**

S. No	Particulars	Details																						
1.	Nature of industry	Manufacturers of wires and cables.																						
2.	Date or expected date of commencement of commercial production	The Company was incorporated in the year 1994 and is into commercial production since then.																						
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																						
4.	Financial performance based on given indicators (as per Audited statement for the year ended 31.03.2019)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>(₹ in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Gross Turnover including Other Income</td> <td>61,777</td> </tr> <tr> <td>Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items</td> <td>4,550</td> </tr> <tr> <td>Interest</td> <td>770</td> </tr> <tr> <td>Depreciation &amp; Amortization expenses</td> <td>864</td> </tr> <tr> <td>Profit/(Loss) before Tax and Exceptional Items</td> <td>2,916</td> </tr> <tr> <td>Exceptional Items</td> <td>-</td> </tr> <tr> <td>Provision for Taxation</td> <td>-</td> </tr> <tr> <td>Other Comprehensive Income</td> <td>1</td> </tr> <tr> <td>Profit/(Loss) after Tax and Exceptional Items</td> <td>2,917</td> </tr> <tr> <td><b>Net Profit/(Loss) for the year</b></td> <td><b>2,917</b></td> </tr> </tbody> </table>	Particulars	(₹ in Lakhs)	Gross Turnover including Other Income	61,777	Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items	4,550	Interest	770	Depreciation & Amortization expenses	864	Profit/(Loss) before Tax and Exceptional Items	2,916	Exceptional Items	-	Provision for Taxation	-	Other Comprehensive Income	1	Profit/(Loss) after Tax and Exceptional Items	2,917	<b>Net Profit/(Loss) for the year</b>	<b>2,917</b>
Particulars	(₹ in Lakhs)																							
Gross Turnover including Other Income	61,777																							
Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items	4,550																							
Interest	770																							
Depreciation & Amortization expenses	864																							
Profit/(Loss) before Tax and Exceptional Items	2,916																							
Exceptional Items	-																							
Provision for Taxation	-																							
Other Comprehensive Income	1																							
Profit/(Loss) after Tax and Exceptional Items	2,917																							
<b>Net Profit/(Loss) for the year</b>	<b>2,917</b>																							
5.	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Foreign investors, mainly comprising of NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases.																						

**II. INFORMATION ABOUT THE APPOINTEE**

S. No	Particulars	Mr. Sanjay Aggarwal	Mr. Sandeep Aggarwal
1.	Background details	Mr. Sanjay Aggarwal is one of the Promoter Director and is associated with the Company since inception. He is a creative thinker and future oriented industrialist having vast experience of over 32 years in the Cable Industry. He has been associated with various apex Industrial Associations and Industry Forums in India in different capacities.	Mr. Sandeep Aggarwal is one of the Promoter Director and is associated with the Company since inception. He plays an important role in successful management of Company's operational, production and technical affairs.
2.	Past remuneration	The appointment of Mr. Sanjay Aggarwal as Chairman & CEO was duly approved by the shareholders for a period of three years, w.e.f. 1 <sup>st</sup> March, 2018 till 28 <sup>th</sup> February, 2021 at a remuneration of ₹ 4,96,000/- per month.	The appointment of Mr. Sandeep Aggarwal as Managing Director was duly approved by the shareholders for a period of three years, w.e.f. 1 <sup>st</sup> March, 2018 till 28 <sup>th</sup> February, 2021 at a remuneration of ₹ 496,000/- per month.
3.	Recognition or awards	Entrepreneur of the Year Award by All India Manufacturers Organization; Niryat Shree Award by FIEO and Major Donor Award 2017 by Rotary Foundation of Rotary International.	The Valuable contribution to Rotary Foundation & Rotary Delhi Central Charitable Trust fund raiser 2016-17; Appreciation Certificate for Swachh Bharat Abhiyan; Honorary Professorship Award.

S. No	Particulars	Mr. Sanjay Aggarwal	Mr. Sandeep Aggarwal
4.	Job profile and his suitability	He has worked as Whole Time Director of the Company for about 25 years, in which capacity he has been devoting whole time attention to the affairs of the Company and is suitable for this position.	He has worked as Managing Director of the Company for about 25 years, in which capacity he has been devoting whole time attention to the affairs of the Company and is suitable for this position.
5.	Remuneration proposed	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the size of the Company, the profile of Mr. Sanjay Aggarwal, the responsibilities entrusted upon him in his capacity as Chairman & CEO, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.	Considering the size of the Company, the profile of Mr. Sandeep Aggarwal, the responsibilities entrusted upon him in his capacity as Managing Director, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.
7.	Pecuniary relationship directly or indirectly with the company, relationship with the managerial personnel, if any.	Besides the remuneration proposed, Mr. Sanjay Aggarwal does not have any pecuniary relationship with the Company. Mr. Sandeep Aggarwal is the brother of Mr. Sanjay Aggarwal. No other managerial personnel is concerned or interested in the above resolution.	Besides the remuneration proposed, Mr. Sandeep Aggarwal does not have any pecuniary relationship with the Company. Mr. Sanjay Aggarwal is the brother of Mr. Sandeep Aggarwal. No other managerial personnel is concerned or interested in the above resolution.

### III. OTHER INFORMATION

S. No	Particulars	Details
1.	Reasons of loss or inadequate profits	Due to Carry Forward Losses
2.	Steps taken or proposed to be taken for improvement	<p>During the year, the Promoters/Promoter Group have infused funds amounting to ₹ 25.94 Cr for strengthening the financial position of the Company, by way of issue of 17000000 Equity Shares on preferential basis.</p> <p>The Company has issued and allotted 11881500 Equity shares of the Company upon conversion of outstanding FCCBs having face value of US\$ 7.5 Million</p> <p>As a result of concerted and constant efforts of the promoters, the Company is turning around gradually and its bottom- and top-line results are improving substantially.</p>
3.	Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**ANNEXURE-1 TO AGM NOTICE**

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of the Director	Mr. Sanjay Aggarwal (DIN:00001788)	Mr. Vijay Bhushan (DIN:00002421)	Mr. Vijay Maheshwari (DIN:00216687)
Date of Birth	21-10-1962	22-10-1958	03-01-1951
Qualification	B. Com (Hons.) from Shri Ram College of Commerce, Delhi University	MBA from Delhi University	F.C.A.
Brief Resume of the Director	Eminent Businessman with over two decades of Experience	Former President of Delhi Stock Exchange and actively associated with Capital Market since 1981	Practicing Chartered Accountant with over 40 years of experience
Expertise in specific functional area	Technocrat and is having wide experience in cable manufacturing industry.	Vast experience in the field of Capital Market.	Vast experience in the field of accounts, finance and corporate governance
Date of first appointment in the current designation	01.11.1994	22.07.2000	01-04-2019
Shareholding in the Company	9342100 equity shares of ₹ 2/- each	NIL	NIL
Directorships	NIL	Bharat Bhushan Finance & Commodity Brokers Limited KEI Industries Limited	Sumedha Fiscal Services Limited
Memberships/ Chairmanship of Committees of other companies	NIL	Bharat Bhushan Finance & Commodity Brokers Limited- Audit Committee KEI Industries Limited- Stakeholder Relationship Committee	NIL
Inter-se relationship between Directors and other Key Managerial Personnel	Brother of Mr. Sandeep Aggarwal	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.
Number of Meetings of the Board attended	7 out of 7 in the Financial Year 2018-19	7 out of 7 in the Financial Year 2018-19	NIL
Details of remuneration last drawn	₹ 5,839,739/- during the Financial Year 2018-19	Being the Independent Director, no remuneration other than sitting fees was drawn	Being the Independent Director, no remuneration other than sitting fees was drawn

**Note:**

1. Directorships and Committee memberships in Paramount Communications Limited and its Committees are not included in the aforesaid disclosure.
2. Alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded.
3. Membership and Chairmanship of Audit Committees and Investor Grievance/Stakeholder Relationship Committees of only public Companies have been included in the aforesaid table.









**PARAMOUNT COMMUNICATIONS LIMITED**

Regd. Office: C-125, Naraina Industrial Area, Phase I, New Delhi-110028, India.

Tel.: +91(11) 4561 8800/900 Fax: +91(11)25893719/720

Website: [www.paramountcables.com](http://www.paramountcables.com); Email: [investors@paramountcables.com](mailto:investors@paramountcables.com)

CIN: L74899DL1994PLC061295

**ATTENDANCE SLIP**

Please fill the Attendance Slip and hand it over at the Entrance of the Meeting Hall:

Client ID*	
------------	--

DP ID*	
--------	--

Folio No.	
-----------	--

No. of shares	
---------------	--

**NAME AND ADDRESS OF SHAREHOLDER**

.....

.....

.....

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the members of the Company held at Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003 on Tuesday, the 24<sup>th</sup> day of September, 2019 at 3.00 P.M.

\_\_\_\_\_  
Signature of shareholder/Proxy

\*Applicable for shares held in Electronic form

**ELECTRONIC VOTING INFORMATION**

EVEN (E-Voting Event Number)	User ID	Password
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**Note:**

Detailed Instructions for e-voting are given in the notes to the AGM Notice





**PARAMOUNT COMMUNICATIONS LIMITED**

Regd. Office: C-125, Naraina Industrial Area, Phase I, New Delhi-110028, India.  
Tel.: +91(11) 4561 8800/900 Fax: +91(11)25893719/720  
Website: [www.paramountcables.com](http://www.paramountcables.com); Email: [investors@paramountcables.com](mailto:investors@paramountcables.com)  
CIN: L74899DL1994PLC061295

**Form No. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the member (s):</b>	
<b>Registered address:</b>	
<b>E-mail Id:</b>	
<b>Folio No/ Client Id:</b>	
<b>DP ID:</b>	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held at **Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003** on Tuesday, the **24<sup>th</sup> day of September, 2019** at 3.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>ORDINARY BUSINESS</b>		<b>FOR</b>	<b>AGAINST</b>
1.	Adoption of Annual Accounts of the Company as on March 31, 2019.		
2.	Re-appointment of Mr. Sanjay Aggarwal (DIN 00001788), retiring by rotation and being eligible, offering himself for re-appointment.		
<b>SPECIAL BUSINESSES</b>			
3.	Re-appointment of Mr. Vijay Bhushan as Independent Director for another term of five years;		
4.	Appointment of Mr. Vijay Maheshwari as Independent Director for a term of five years		
5.	Revision in Remuneration of Shri Sanjay Aggarwal, CEO & Chairman of the Company		
6.	Revision in Remuneration of Shri Sandeep Aggarwal, Managing Director of the Company		
7.	To approve the remuneration of the Cost Auditor for the financial year 2019-2020.		

Date: \_\_\_\_\_, 2019.

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

**ROUTE MAP OF THE VENUE FOR THE 25<sup>th</sup> ANNUAL GENERAL MEETING**



# Corporate Information



## Board of Directors

**Mr. Sanjay Aggarwal,**  
Chairman & CEO

**Mr. Sandeep Aggarwal,**  
Managing Director

**Mr. Vijay Maheshwari,**  
Independent Director

**Mr. Vijay Bhushan,**  
Independent Director

**Mrs. Malini Gupta,**  
Independent Director

## Registered Office

C-125, Naraina Industrial Area,  
Phase 1, New Delhi 110028.  
Phone(s): +91-11-45618800/900  
Fax: +91-11-25893719/20  
E-mail: [pcl@paramountcables.com](mailto:pcl@paramountcables.com)  
Website: [www.paramountcables.com](http://www.paramountcables.com)

## Works

SP-30A, SP-30B and E-31,  
Khushkhera Industrial Area,  
District Alwar, Rajasthan, India

Plot No. 37 Industrial Estate,  
Dharuhera, District Rewari,  
Haryana, India

## Chief Financial Officer

Mr. Shambhu Kumar Agarwal

## Compliance Officer & Company Secretary

Ms. Rashi Goel

## Auditors

P. Bholusaria & Co.,  
Chartered Accountants,  
New Delhi

## Cost Auditors

Jain Sharma & Associates,  
Cost Accountants, New Delhi

## Registrar & Share Transfer Agent

Link Intime India Private Limited, Noble Heights, 1<sup>st</sup> Floor,  
Plot No. NH-2, C-1 Block, LSC, Janakpuri, New Delhi-110058

## Key Management Team

**Mr. Manmeet Singh Anand**  
Head-Business Development

**Mr. D.S. Muchhal**  
President Operations

**Mr. R.K. Marwah**  
VP Technical

**Mr. N.K. Gupta**  
VP Accounts and Finance

**Mr. Rajeev Gupta**  
VP Marketing

**Mr. R.S. Tanwar**  
Sr GM Marketing

**Mr. Arvind Gupta**  
GM (PPC)

**Mr. Ajay Dhar**  
GM IT and EDP



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