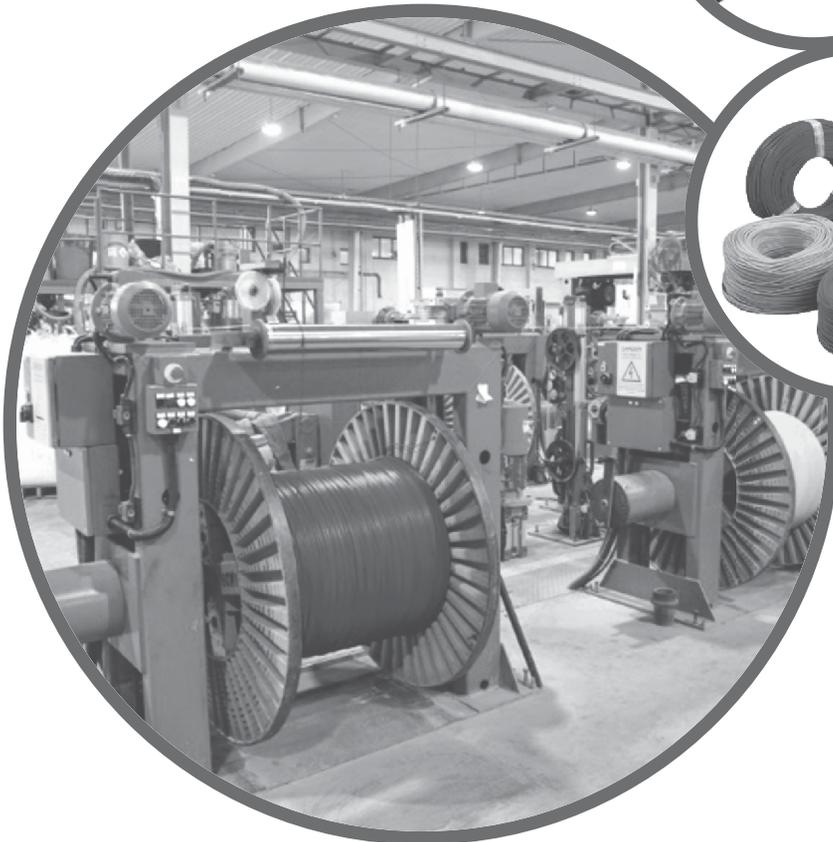
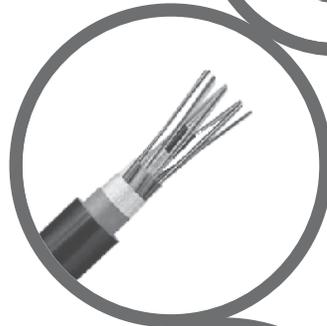
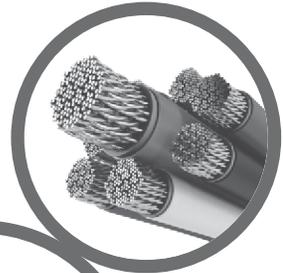


Annual Report  
2015-2016



यद्यदाचरति श्रेष्ठस्तत्तरेदेवेतरो जनः।  
सं यत्प्रमाणं कुरुते लोकस्तदनुवर्तते।।



**LATE SHRI SHYAM SUNDER AGGARWAL**

Founder - Paramount Communications Limited  
(6.10.1936 - 6.12.1999)

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

Bhagwad Gita, 3.21

**IMPORTANT COMMUNICATION TO MEMBERS**

As part of your Company's endeavour to participate in the "Green Initiative in Corporate Governance" taken by Ministry of Corporate Affairs(MCA) vide its Circular No. 17/2011 dated 21.04.2011, allowing paperless compliances by service of documents like notices, Company's Annual Reports etc. through electronic mode (e-mail), the members are once again requested to register/update their email addresses if holding shares in Electronic form with your Depository Participant (DP) or you can email us at [investors@paramountcables.com](mailto:investors@paramountcables.com), if holding in physical form or you can write to us directly.

In the good cause of protection of environment and in the interest of public at large, we are sure that you would welcome and support this "Green Initiative".

Save Paper, Save Trees, Go Green!

# Corporate Information

## BOARD OF DIRECTORS

Mr. Sanjay Aggarwal, Chairman & CEO  
Mr. Sandeep Aggarwal, Managing Director  
Mr. Satya Pal, Director  
Mr. S.P.S. Dangri, Director  
Mr. Vijay Bhushan, Director  
Mrs. Malini Gupta, Director

## CHIEF FINANCIAL OFFICER

Mr. Shambhu Kumar Agarwal

## CHIEF COMPLIANCE OFFICER

Ms. Tannu Sharma

## REGISTERED OFFICE

C-125 Naraina Industrial Area, Phase-1,  
Naraina, New Delhi-110028, India  
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

Unit 1: SP-30A, SP-30B, E-31,  
Khushkhera Industrial Area,  
Distt. Alwar, Rajasthan, India  
  
Unit 2: Plot No. 37, Industrial Estate,  
Dharuhera, District Rewari, Haryana, India

## AUDITORS

Jagdish Chand & Co.  
Chartered Accountants,  
New Delhi, India

## COST AUDITORS

Jain Sharma & Associates,  
Cost Accountants,  
New Delhi, India

## BANKERS

State Bank of India, State Bank of Patiala  
Dena Bank, Standard Chartered Bank  
ICICI Bank Limited

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Private Limited  
44, II<sup>nd</sup> Floor, Community Centre,  
Naraina Industrial Area, Phase-1,  
New Delhi-110028, India  
Phone No: +91-11-41410592, 93,94  
Fax No: +91-1141410591

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## NOTICE

Notice is hereby given that the **22<sup>nd</sup> ANNUAL GENERAL MEETING** of the Members of **PARAMOUNT COMMUNICATIONS LIMITED** will be held at **SHAH AUDITORIUM, SHREE DELHI GUJARATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054** on Tuesday, the **27<sup>th</sup> day of September, 2016 at 11:30 A.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, 2016 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. Sandeep Aggarwal (**DIN: 00002646**), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Jagdish Chand & Co., Chartered Accountants (**Firm Registration No. 000129N**) as Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as the Board may decide, based on the recommendations of Audit Committee.

### **SPECIAL BUSINESSES:**

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Section 181 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to contribute, in any financial year, to bona fide charitable and other funds, any amount the aggregate of which, may exceed five percent of its average net profits for the three immediately preceding financial years, subject to a limit of ₹25 Lac (Rupees Twenty five Lac only).”

5. 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 Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and other applicable provisions (if any), the consent, sanction, or approval of the members of the company be and is hereby accorded to the Board of Directors to enter into any contract or arrangement with related party viz. Paramount Wires & Cables Limited with respect to sale, purchase or supply of any goods or materials, not exceeding value of ₹200 Crore (Rupees Two Hundred Crore only) in one Financial year, subject to such conditions as may be imposed by the Audit Committee or the Board of Directors.

**RESOLVED FURTHER THAT** the Board of directors and the Company Secretary of the Company be and is hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

6. To approve the remuneration of the Cost Auditors for the financial year 2016-2017 and in this regard to consider and if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for the payment of remuneration of ₹50,000/- (Rupees Fifty Thousand Only) plus Taxes thereon and reimbursement of out of pocket expenses, if any, to M/s. Jain Sharma & Associates (Firm Registration No. 000270), Cost Accountants, who are appointed as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the financial year from April 1, 2016 till March 31, 2017.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**(Tannu Sharma)**  
**Company Secretary**

Place : New Delhi  
Dated : 05.08.2016

**NOTES:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/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.
- 2 The Register of Members and Share Transfer Book of the Company shall remain closed from Wednesday, the 21<sup>st</sup> September, 2016 to Tuesday, the 27<sup>th</sup> September, 2016 (both days inclusive).
- 3 Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- 4 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.
- 5 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.
- 6 Members are requested to note that all correspondence related to share transfer should be addressed to the Company's Registrars and Share Transfer Agents, M/s Link Intime India Pvt. Ltd., 44, II<sup>nd</sup> Floor, Community Centre, Naraina Industrial Area, Phase-I, New Delhi-110028.
- 7 The members of the Company who hold shares in physical form are intimated that SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfer of shares held in physical form.
- 8 Shareholders are requested to bring their copy of the Annual Report to the meeting.
- 9 Pursuant to Section 205A of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, all unclaimed/ unpaid dividend up to the financial year ended 31<sup>st</sup> March, 2008 has been transferred to the Investor Education and Protection Fund set up by the Central Government and no claim can be admitted in respect of dividend upto the said financial year.
- 10 At the ensuing Annual General Meeting, Mr. Sandeep Aggarwal, retires by rotation and being eligible, offers himself for reappointment. The information/ details pertaining to Mr. Sandeep Aggarwal in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed herewith.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No 4**

As per the provisions of Section 181 of the Companies Act, 2013, the Board of Directors of the Company is authorized to make contributions to charitable and other funds, provided that prior permission of the Members is obtained for such contribution, if such contribution exceeds five percent of its average net profits during the three immediately preceding financial years. The approval of the members is being sought, pursuant to Section 181 of the Act, for authorizing the Board of Directors of the Company to make contribution to bona fide charitable and other funds, in a

financial year, exceeding five percent of the Company's average net profits during the three immediately preceding financial year, subject to a limit of ₹25 Lac (Rupees Twenty Five Lac only) in any Financial year.

The Directors recommend the resolution at item no. 4 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel and/or their relatives, are in any way, financially or otherwise, interested or concerned in the said resolution.

#### **Item No 5**

Section 188 of the Companies Act, 2013 read with Rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe the procedure for approval of related party transactions. Further, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to Section 188 also states that nothing in Section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis. All the proposed transactions concluded between Paramount Communications Limited and Paramount Wires & Cables Limited, which are put up for approval before the shareholders, are in ordinary course of business and at arm's length basis. Though the companies are not covered under purview of related party under the provisions of the Companies Act, 2013, however they are considered related as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Accordingly, pursuant to these provisions, the contracts / arrangements / transactions entered between the Company and Paramount Wires and Cables Limited are considered material in nature and require the approval of the shareholders of the Company by way of special resolution.

The resolution mentioned in Item no. 5 of the Notice is recommended for your approval as a Special Resolution.

None of the Directors, except Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, are in any way, concerned or interested in the passing of this resolution.

#### **Item No 6**

The Board of Directors at their meeting held on 27<sup>th</sup> May, 2016, 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 2016-17 and also fixed their remuneration for the said purpose at the rate 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.

### **E-Voting**

#### **E-Voting for the Twenty Second Annual General Meeting of Paramount Communications Limited**

In terms of the requirements of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility of e-Voting, through CDSL, to the shareholders for casting their vote electronically at the Twenty Second Annual General Meeting of the Company.

The electronic voting period commences on Friday, 23<sup>rd</sup> September, 2016 (9:00 A.M.) and ends on Monday, 26<sup>th</sup> September, 2016 (5:00 P.M). The electronic voting facility will be disabled by CDSL for voting thereafter. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2016, may cast their vote electronically.

**The instructions for members for voting electronically are as under:-**

- 1) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password are to be used.
- 2) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 3) Click on “Shareholders” tab.
- 4) Now, select the Electronic Voting Sequence Number (EVSN) along with “Paramount Communications Limited” from the drop down menu and click on “SUBMIT”.
- 5) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	a) For account holders in CDSL :- Your 16 digit beneficiary ID b) For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digit Client ID	Folio Number registered with the Company
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Further, members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Details#	Enter the Dividend Company Details as recorded in your demat account or in the company records for the said demat account or folio.	

# Please enter the DOB or Dividend Company Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Company details field.

- 6) After entering these details appropriately, click on “SUBMIT” tab.
- 7) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field.
- 8) Click on the EVSN on which you choose to vote.
- 9) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 10) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- 11) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- 12) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

**Other Instructions:**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

- The electronic voting period commences on Friday, 23<sup>rd</sup> September, 2016 (9:00 A.M.) and ends on Monday, 26<sup>th</sup> September, 2016 (5:00 P.M). The electronic voting facility will be disabled by CDSL for voting thereafter. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29<sup>th</sup> July, 2016, may cast their vote electronically.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 29<sup>th</sup> July, 2016;
- 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.
- Once the vote on a resolution is casted by the member, he shall not be allowed to change or modify it subsequently;
- 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.
- 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.
- Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Mr. Anil Kumar Popli of M/s A.K. Popli & Co., Practicing Company Secretary (Membership No: 3387; CP No. 2544) has been appointed as the scrutinizer to the electronic voting process, who shall prepare and submit their report of the votes cast in favour or not in favour/ against, to the Chairman of the Annual General Meeting.
- The results declared along with the scrutinizer's report shall be placed on the website of the Company and on the website of CDSL.
- Subject to receipt of the sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting;
- Notice of the meeting is also displayed at **[www.paramountcables.com](http://www.paramountcables.com)**

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **[www.evotingindia.com](http://www.evotingindia.com)** under help section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)** or call CDSL Toll Free No. 022-30249561 or to the Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. at 011-41410592, 41410593 or write an email to **[delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)**.

**The details pertaining to Mr. Sandeep Aggarwal (Retiring Director) in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

<b>Name of the Director alongwith DIN</b>	<b>Mr. Sandeep Aggarwal (DIN: 00002646)</b>
<b>Relationship with other Directors inter-se</b>	Brother of Mr. Sanjay Aggarwal
<b>Date of Appointment</b>	01/11/1994
<b>Expertise in specific functional areas</b>	<ul style="list-style-type: none"> <li>• Creative Thinker and future oriented industrialist.</li> <li>• Eminent Businessman with vast knowledge and experience in cable and telecom industry.</li> </ul>
<b>Qualification</b>	B.A. Hons. (Economics) from Shri Ram College of Commerce, University of Delhi.
<b>No. of Equity Shares held in the Company</b>	57,32,300 Equity Shares
<b>List of other companies in which Directorships are held</b>	NIL
<b>List of Committees of the Board of Directors (across all companies) in which Chairmanship/Membership</b>	NIL

**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.

## DIRECTORS' REPORT

To,  
The Members,

Your directors hereby present the 22<sup>nd</sup> Annual Report along with audited statement of accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

### 1. FINANCIAL RESULTS

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2016 is summarised below:

(₹/Lac)

	Year ended 31.03.2016	Year ended 31.03.2015
<b>Gross Turnover including Other Income</b>	<b>34,633.17</b>	49,856.26
<b>Profit/ (Loss) before Interest, Depreciation and Tax</b>	<b>(4,307.74)</b>	(3,544.94)
Interest	<b>7,215.54</b>	5,829.13
Depreciation & Amortisation of FCMITDA	<b>858.35</b>	929.70
Profit/(Loss) before Tax	<b>(12,381.63)</b>	(10,303.77)
Exceptional Items	<b>152.61</b>	(10.07)
Provision for Taxation	-	-
<b>Profit/(Loss) after Tax and Exceptional Items</b>	<b>(12,229.02)</b>	(10,313.84)
Taxation for earlier years	-	-
<b>Net Profit/(Loss) for the year</b>	<b>(12,229.02)</b>	(10,313.84)

The Company achieved gross turnover including other income of ₹34,633.17 Lac and incurred a net loss of ₹12,229.02 Lac for the financial year 2015-2016 as against gross turnover including other income of ₹49,856.26 Lac and net loss of ₹10,313.84 Lac in financial year 2014-2015. Loss before exceptional items has been ₹12,381.63 Lac as against net loss of ₹10,303.77 Lac during previous year 2014-2015.

### 2. DIVIDEND

In view of loss incurred by the Company during the current financial year, your directors do not recommend declaration of any dividend for the year 2015-2016.

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

There are no material changes and commitments affecting the financial position of the Company during the year 2015-2016.

### 4. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

Outstanding FCCBs amounting to US\$ 7.5 million were due for redemption on 23<sup>rd</sup> November, 2011 at a premium equal to 145.54% of the outstanding principal amount i.e. @ US\$ 7,277. Your directors are making efforts for restructuring the terms of FCCBs in discussion with the bond holders.

The Bonds are listed at Luxembourg Stock Exchange.

### 5. GLOBAL DEPOSITORY RECEIPTS (GDRs)

The Global Depository Receipts issued by the Company during the financial year 2006-2007 are listed at Luxembourg Stock Exchange. There are GDRs outstanding which represents 301,750 equity shares of ₹2/- each as on 31<sup>st</sup> March, 2016.

## 6. FUTURE OUTLOOK

As a result of policies formulated by the Government of India, the domestic Optical Fibre Cables industry is expected to grow at a good pace. Other sectors like Railway, Telecom and Power are expected to grow at a better pace as compared to last year. However, competitive conditions are likely to persist over the medium-term in the Power Cable segment due to competition and funds shortages.

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.

## 7. TRANSFER TO RESERVES

In view of loss incurred by the Company during the current financial year, your Company do not propose to transfer funds to the General Reserves.

## 8. PUBLIC DEPOSITS

During the financial year 2015-2016, 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.

## 9. BOARD OF DIRECTORS

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. S.P.S. Dangi, Mr. Satya Pal, Mr. Vijay Bhushan and Mrs. Malini Gupta hold office for a fixed term of five (5) years and are not liable to retire by rotation.

Further, in accordance with the provisions of the Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sandeep Aggarwal, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment as a Director.

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief resume of the director proposed to be reappointed, the nature of his expertise in specific functional areas, names of the companies in which he 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.

## 10. DECLARATION OF INDEPENDENCE

In compliance with the provisions of Section 149 (7) of the Companies Act, 2013, each Independent Director has given a written declaration to the Company, thereby confirming that he/she meets the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 11. 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, 2016, 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, 2016 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.

## **12. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*erstwhile Clause 49 of the Listing Agreement*), the Board has formed a policy to carry out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Stakeholders' /Investor's Relationship Committee, Risk Management Committee and Share Transfer & Transmission Committee.

## **13. REMUNERATION POLICY**

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Nomination and Remuneration Policy for Directors, KMP and all other employees of the Company. A copy of the Policy is available at the website of the Company.

## **14. KEY MANAGERIAL PERSONNEL**

Mr. Sanjay Aggarwal, Chairman & CEO, Mr. Sandeep Aggarwal, Managing Director, Mr. Shambhu Kumar Agarwal, Chief Financial Officer and Ms. Tannu Sharma, 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.

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

As required under Section 197(12) 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-A", which is attached hereto and forms a part of the Directors' Report.

## **16. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE**

During the year, 4 (Four) 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.

## **17. AUDITORS**

M/s Jagdish Chand and Co., Chartered Accountants, New Delhi, (Firm Registration No. 000129N) the statutory auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Audit Committee had recommended their re-appointment. The certificate from the Auditors have been received to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

## **18. AUDITORS REPORT-CLARIFICATIONS AND EXPLANATIONS**

Auditors Report point No. 9 (a): Preparation of financial statements on going concern basis.

The accompanying financial statements have been prepared on a going concern basis despite negative net worth, overdue in redemption of Foreign Currency Convertible Bonds (FCCBs) etc.

Your Company is hopeful that the Company will be able to generate profits in future years and meet its financial obligations. The management is also exploring inducting financial investor(s) in the Company and/or joint venture

with foreign companies. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of the following mitigating factors:

- Company has not defaulted in payment of statutory dues.
- Company has proposed the banks to restructure its loan repayments.
- The management is also exploring induction of financial investors in the Company and/or joint venture with foreign companies to improve its financial strength.
- Company has good order book position.

Auditors Report point No. 9 (b): Payment of interest on borrowings.

Interest on borrowing from banks has been provided based upon information available from banks and as per best estimates of the management.

Auditors Report point No. 9 (c): Assignment of debt to Securitization and Asset Reconstruction Company

During the year under review, one of the Bankers has assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitization and Asset Reconstruction Company.

## 19. COST AUDITORS

The Board of Directors had appointed M/s. Jain Sharma & Associates, Cost Accountants as the Cost Auditor of your Company for the financial year 2015-2016 to conduct the audit of the cost records of your Company.

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 2016-2017 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 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.

## 20. SECRETARIAL AUDIT

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. A.K. Popli & Co., Practicing Company Secretaries, has been appointed to as the Secretarial Auditor of the Company for the financial year 2015-2016. The Secretarial Audit report for financial year 2015-2016 forms an integral part of this Annual Report as "Annexure-B" to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 21. SUBSIDIARIES

The Company does not have any Indian subsidiary Company. However, the Company has the following direct/indirect wholly owned foreign subsidiaries:

1. Paramount Holdings Limited, Cyprus; \*
2. AEI Power Cables Limited, United Kingdom and
3. "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom \*\*

### Notes:

- 1) \*The Board of Directors of Paramount Holdings Limited have initiated steps to liquidate the Company.
- 2) \*\*"06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration w.e.f. 28<sup>th</sup> February, 2014.

The Consolidated financials include audited financials of Paramount Holdings Limited, Cyprus and AEI Power Cables Ltd., United Kingdom for the year ended 31<sup>st</sup> March, 2016.

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

## **22. REPORTING TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION {BIFR}**

Your Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide case no. 77/2013, order dated 31<sup>st</sup> October, 2013.

## **23. MEASURES TAKEN FOR REVIVAL AND REHABILITATION OF THE COMPANY**

The Company has approached its bankers with restructuring request to convert a substantial part of loan into convertible securities. Apart from this the Company is exploring possibilities of new investors and joint venture with foreign companies.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as per the requirements of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are annexed hereto and forms an integral part of the 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.

## **25. ISO CERTIFICATION**

The Company holds ISO 9001:2008 and ISO 14001:2004 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.

## **26. 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.

## **27. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

During the year 2015-2016, 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-C" to this report.

## **28. LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The details of the investments made by the Company are given in the notes to the financial statements.

## 29. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee and to the Chairman & CEO and Managing Director of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee and the Board.

## 30. 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.

## 31. EXTRACT OF ANNUAL RETURN

In accordance with Sections 134(3)(a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure-D".

## 32. RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses the risks in the internal and external environment, along with the cost of treating risks 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.

## 33. 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 work place, in business practice and in dealing with shareholders.

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

## 34. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

### 35. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has vigil mechanism policy to deal with instances of fraud and mismanagement, if any.

The policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Accordingly, the Board of Directors have formulated a Vigil Mechanism/Whistle Blower Policy which is in compliance with the provisions of Sections 177(9) and 177(10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is also available on the website of the Company [www.paramountcables.com](http://www.paramountcables.com).

### 36. INSURANCE

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

### 37. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014, the Company has transferred ₹4,67,295/- (Rupees Four Lac Sixty Seven Thousand Two Hundred and Ninety Five) to the Investor Education and Protection Fund. This amount was lying unclaimed/unpaid with the Company for a period of seven years after declaration of Dividend for the financial year ended 2007-2008.

### 38. LISTING OF SHARES

The equity shares of the Company are listed at The Bombay Stock Exchange 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.

The Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) issued by the Company in the international market are listed at Luxembourg Stock Exchange

### 39. 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. The global workforce spreads across the continents forms the backbone of the entity. We handle global preferences and mindsets of both internal and external customers.

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

### 40. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report. Further, Management Discussion and Analysis which includes detailed review of operations, performance and future outlook of the Company and its businesses forms a part of this report.

### 41. 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.

- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **42. ACKNOWLEDGEMENT AND APPRECIATION**

Your Directors are thankful to the Central and State Government Departments, Organisations and Agencies for their 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**

Place: New Delhi  
Date : 05.08.2016

**(Sanjay Aggarwal)**  
**Chairman & CEO**

## ANNEXURE I TO THE DIRECTORS' REPORT

Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as per section 134(3)(m) of the Companies Act, 2013 and the rules made there under and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2016.

### A. CONSERVATION OF ENERGY:

In view of the measure already taken in earlier years no fresh measure was 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 break 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	: ₹12.10 Lacs.
Outgo	: ₹3,913.73 Lacs.

For and on behalf of the Board

Place: New Delhi  
Date : 05.08.2016

(Sanjay Aggarwal)  
Chairman & CEO

## Annexure-A

**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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (₹ in Lac)	% increase in Remuneration in the financial year 2015-16	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Sanjay Aggarwal (Whole Time Director)	46.21	NIL	14.13
2.	Mr. Sandeep Aggarwal (Managing Director)	45.80	NIL	14.01
3.	Mr. Shambhu Kumar Aggarwal (Chief Financial Officer)	19.31	15.77%	5.91
4.	Ms. Tannu Sharma (Company Secretary)	4.56	35.40%	1.39

**Note:** No other Director except the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2015-2016.

- B. There were 285 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2016.
- C. Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2015-2016 was 11.50%.
- D. 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.
- E. 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.*
- F. It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2016 is as per the Remuneration Policy of the Company.

**SECRETARIAL AUDIT REPORT**

(For the financial year ended 31st March, 2016)

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
Paramount Communications Limited,  
Regd. Office: C-125, Naraina Industrial Area  
Phase-I, 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also 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, the Company has, during the audit period ended on 31<sup>st</sup> March, 2016, 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 period ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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; *it may be noted that during the year under review there was no Foreign Direct Investment, overseas Direct Investment and External Commercial borrowings.*
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
  - 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, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as applicable from December 2015;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(Not applicable to the Company during the year under review)*
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not applicable to the Company during the year under review)*
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(provisions thereof not applicable to the Company during the year under review. However, company's application for voluntary de-listing of equity shares at the Calcutta Stock Exchange Association Ltd. Kolkata during the year 2003-04 is still pending disposal); and*

- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*provisions thereof not applicable to the Company during the year under review*);
- h. the Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*erstwhile Equity Listing Agreements entered into with Bombay Stock Exchange Limited and National Stock Exchange of India Limited*); and
- i. The Memorandum and Articles of Association of the Company.

**We have also examined compliance with the applicable clauses of the following:**

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited (i.e. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc mentioned above.

**2. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act and the Memorandum and Articles of Association of the Company, with regard to:**

S. No.	Description	Observation
a)	Maintenance of various statutory registers and documents and making necessary entries therein;	The Company has maintained statutory registers as required under the Act and all the entries have been properly recorded.
b)	Closure of the Register of Members	The Register of Member was closed at the time of Annual General Meeting.
c)	Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government	The company has duly filed forms, returns with the Registrar of Companies, Delhi and wherever there is delay the Company has paid the additional fee.
d)	Service of documents by the Company on its Members, Auditors and the Registrar of Companies	Duly served.
e)	Notice of Board meetings and Committee meetings of Directors	Duly sent
f)	The meetings of Directors and Committees of Directors including passing of resolutions by circulation	Duly convened
g)	The 21 <sup>st</sup> Annual General Meeting held on 24 <sup>th</sup> September 2015;	Duly convened
h)	Minutes of proceedings of General Meetings and of the Board and its Committee meetings;	Duly entered and signed
i)	Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;	Duly obtained
j)	Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;	Duly constituted, with proper balance of Executive, Non Executive and Independent Directors.
k)	Payment of remuneration to Directors including the Managing Director and Whole-time Directors,	Duly made in accordance with the approval of shareholders and Central Government
l)	Appointment and remuneration of Auditors and Cost Auditors;	Duly made as per applicable provisions

S. No.	Description	Observation
m)	Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;	Duly made within prescribed time period.
n)	Declaration and payment of dividends;	No dividend was declared during the year under review
o)	Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;	Duly transferred.
p)	Borrowings and registration, modification and satisfaction of charges wherever applicable;	Duly complied
q)	investment of the Company's funds including investments and loans to others;	Duly complied
r)	form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;	Duly complied
s)	Directors' report;	Duly complied
t)	contracts, common seal, registered office and publication of name of the Company; and	Duly complied
u)	Generally, all other applicable provisions of the Act and the Rules made under the Act.	Duly complied with

**3. We further report that:**

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.
  - ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - iv) The Company has obtained all necessary approvals under the various provisions of the Act; and
  - v) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - vi) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
  5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
  6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

**7. I further report that:**

- a. the Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Equity Listing Agreements entered into with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited)
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

**8. I further report that**

- (a) There are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (b) Complied with the following laws specifically applicable to the Company:
  - Factories Act, 1948
  - Pollution laws including Environment Protection Act and rules made there under.
  - Labour laws
  - The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an internal complaints system.

(c) The following are other observations

- i) The company is registered with BIFR under Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 and rules made thereunder vide Registration No. 77/2013. The Global Depository Receipts (GDRs) and the Foreign currency convertible Bonds (FCCBs) issued by the Company in the international market are listed at Luxembourg Stock Exchange, Luxembourg and we do not comment on the compliances as may be prescribed by Luxembourg Stock Exchange as it is outside the purview of audit. As per the information, the outstanding US \$ 7.5 Million Foreign Currency convertible Bonds (FCCB's) of the company were due for repayment on 23<sup>rd</sup> November 2011. However, these bonds were not redeemed on their redemption date and are still outstanding.

(d) Legal cases

As per the information available, following is the status of legal cases pending in various Courts

Sl. No.	Name of case	Court	Amount involved (₹ in Lac)	Status
1	Escorts Ltd. Vs. PCL	Civil Court, Faridabad	26.25	Case has been stayed sine die till reference is pending with BIFR
2	PCL Vs. Mass Media	High Court, New Delhi	35.98	The Company is hopeful to get favourable orders.
3	PCL Vs. Oriental Containers Ltd.	City Court, Mumbai	28.40	The Company is hopeful to get favourable orders.

**For A.K. POPLI & CO.  
Company Secretaries**

Place : Delhi  
Date : 02.08.2016

**A. K. Popli  
Proprietor  
CP No.2544**

**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, 2016, 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, 2016 are as follows:

Name of Related Party	Nature of Relationship	Duration of Contracts/ Arrangements/ Transactions	Salient terms	Amount (₹ in Lac)
<b>Rent Paid</b>				
Paramount Telecables Limited	Common Control	1 <sup>st</sup> April, 2015-31 <sup>st</sup> March, 2016	As per the Agreement	206.67
S.S. Aggarwal (HUF)	Common Control	1 <sup>st</sup> April, 2015-31 <sup>st</sup> March, 2016	As per the Agreement	2.40
<b>Sales</b>				
Paramount Wires and Cables Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2015-31 <sup>st</sup> March, 2016	Based on Arm's Length Price	3018.51
<b>Purchase of Raw Material</b>				
Paramount Wires and Cables Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2015-31 <sup>st</sup> March, 2016	Based on Arm's Length Price	46.51
Surya Laboratories Private Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2015-31 <sup>st</sup> March, 2016	Based on Arm's Length Price	21.09

Note: Date of Approval of Board of Directors: 5<sup>th</sup> August, 2016.

**Form MGT-9**
**EXTRACT OF ANNUAL RETURN**

 As on the financial year ended on 31<sup>st</sup> March, 2016

[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: [pcl@paramountcables.com](mailto:pcl@paramountcables.com)
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited  
44, II<sup>nd</sup> Floor, Community Centre,  
Naraina Industrial Area, Phase-I,  
New Delhi-110028  
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 shall be stated:-

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)

#### 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 Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	22181155	-	22181155	17.71	22181155	-	22181155	17.71	NIL
b) Central Government	-	-	-	-	-	-	-	-	NIL
c) State Government	-	-	-	-	-	-	-	-	NIL
d) Bodies Corporate	42344802	-	42344802	33.81	42344802	-	42344802	33.81	NIL
e) Banks/FI	-	-	-	-	-	-	-	-	NIL
f) Any Other....	-	-	-	-	-	-	-	-	NIL
<b>Sub-Total (A) (1)</b>	<b>64525957</b>	<b>-</b>	<b>64525957</b>	<b>51.52</b>	<b>64525957</b>	<b>-</b>	<b>64525957</b>	<b>51.52</b>	<b>NIL</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	NIL
b) Other-Individuals	-	-	-	-	-	-	-	-	NIL
c) Bodies Corporate	-	-	-	-	-	-	-	-	NIL
d) Banks/FI	-	-	-	-	-	-	-	-	NIL
e) Any Other....	-	-	-	-	-	-	-	-	NIL
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	<b>64525957</b>	<b>-</b>	<b>64525957</b>	<b>51.52</b>	<b>64525957</b>	<b>-</b>	<b>64525957</b>	<b>51.52</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	NIL
b) Banks/FI	1000000	-	1000000	0.80	900000	-	900000	0.72	NIL
c) Central Government	-	-	-	-	-	-	-	-	NIL
d) State Government	-	-	-	-	-	-	-	-	NIL
e) Venture Capital Fund	-	-	-	-	-	-	-	-	NIL
f) Insurance Companies	-	-	-	-	-	-	-	-	NIL
g) FIs	100000	-	100000	0.08	100000	-	100000	0.08	NIL
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	NIL
i) Others	-	-	-	-	-	-	-	-	NIL
<b>Sub-Total (B) (1)</b>	<b>1100000</b>	<b>-</b>	<b>1100000</b>	<b>0.88</b>	<b>1000000</b>	<b>-</b>	<b>1000000</b>	<b>0.80</b>	<b>-0.8</b>

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 Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	17662674	15805	17678479	14.12	14589869	15805	14605674	11.70	-2.42
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lac	26716033	1076518	27792551	22.19	29368389	1201818	30570207	24.47	+2.28
ii) Individual shareholders holding nominal share capital in excess of ₹1 Lac	9463749	16500	9480249	7.57	9702208	0	9702208	7.77	+0.20
c) Others (NRI Non Repat)	-	-	-	-	253072	0	253072	0.20	+0.20
i) Trusts	1747	-	1747	0.00	3247	0	3247	0.00	NIL
ii) Non-Resident Indians	1049615	117000	1166615	0.93	868467	0	868467	0.70	-0.13
iii) Clearing Members	21025	-	21025	0.02	375805	0	375805	0.30	+0.28
iv) Hindu Undivided Family	3163692	1400	3165092	2.53	3027078	0	3027078	2.42	-0.11
<b>Sub-Total (B) (2)</b>	<b>58078535</b>	<b>1227223</b>	<b>59305758</b>	<b>47.36</b>	<b>58188135</b>	<b>1217623</b>	<b>59405758</b>	<b>47.36</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>59178535</b>	<b>1227223</b>	<b>60405758</b>	<b>48.23</b>	<b>59188135</b>	<b>1217623</b>	<b>60405758</b>	<b>48.36</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>301750</b>	<b>-</b>	<b>301750</b>	<b>0.24</b>	<b>301750</b>	<b>-</b>	<b>301750</b>	<b>0.24</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>124006242</b>	<b>1227223</b>	<b>125233465</b>	<b>100.00</b>	<b>124015842</b>	<b>1217623</b>	<b>125233465</b>	<b>100.00</b>	<b>NIL</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	4.65	100.00	5826100	4.65	100.00	NIL
2.	Sandeep Aggarwal	5732300	4.58	100.00	5732300	4.58	100.00	NIL
3.	Kamla Aggarwal	2903600	2.32	100.00	2903600	2.32	100.00	NIL
4.	Kamla Aggarwal	2828000	2.26	100.00	2828000	2.26	100.00	NIL

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	
5.	Shyam Sunder Aggarwal (HUF)	42000	0.03	100.00	42000	0.03	100.00	NIL
6.	Sanjay Aggarwal (HUF)	700000	0.56	100.00	700000	0.56	100.00	NIL
7.	Sandeep Aggarwal (HUF)	325000	0.26	100.00	325000	0.26	100.00	NIL
8.	Shashi Aggarwal Jtly with Archana Aggarwal	1900000	1.52	100.00	1900000	1.52	100.00	NIL
9.	Shashi Aggarwal	409800	0.33	100.00	409800	0.33	100.00	NIL
10.	Archana Aggarwal	417855	0.33	100.00	417855	0.33	100.00	NIL
11.	Parul Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
12.	Tushar Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
13.	Dhruv Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
14.	Parth Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
15.	April Investment and Finance Pvt. Ltd.	13040172	10.41	100.00	13040172	10.41	100.00	NIL
16.	Worth Finance and Leasing Pvt. Ltd.	4424330	3.53	100.00	4424330	3.53	100.00	NIL
17.	Ekta Ayat Niryat Pvt. Ltd.	10750	0.01	100.00	10750	0.01	100.00	NIL
18.	Hertz Electricals (International) Pvt. Ltd.	18050	0.01	100.00	18050	0.01	100.00	NIL
19.	Paramount Telecables Ltd.	24851500	19.84	100.00	24851500	19.84	100.00	NIL
	<b>Total</b>	<b>64525957</b>	<b>51.52</b>	<b>100.00</b>	<b>64525957</b>	<b>51.52</b>	<b>100.00</b>	<b>NIL</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	No change during the year			
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year			
At the end of the year	No change during the year			

**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.	Life Secured. Com Pvt. Ltd.	3375000	2.70	3375000	2.70
2.	Darpan Jain	0	0	2831424	2.26
3.	Abhinav Goyal	1375020	1.09	1375020	1.09
4.	Luke Securities Private Limited	849045	0.66	1227883	0.98
5.	Pickup Electronics Private Limited	413000	0.36	1110958	0.89
6.	Dacha Developers Private Limited	943000	0.74	945000	0.75
7.	KDS Corporation Pvt. Ltd.	930005	0.74	930005	0.74
8.	Ratnamani Food Products Pvt. Ltd.	905500	0.72	905500	0.72
9.	General Insurance Corporation Of India	1000000	0.79	900000	0.72
10.	Scotia Enterprises Pvt. Ltd.	797559	0.63	782559	0.63

**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	4.65	5826100	4.65
2.	Sandeep Aggarwal	5732300	4.58	5732300	4.58
	<b>Total</b>	<b>11558400</b>	<b>9.23</b>	<b>11558400</b>	<b>9.23</b>

**V. INDEBTEDNESS**

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	39690.64	6850.96	-	<b>46541.60</b>
ii) Interest due but not paid	5421.83	212.85	-	<b>5634.68</b>
iii) Interest accrued but not due	1.1	16.89	-	<b>17.99</b>
<b>Total (i+ii+iii)</b>	<b>45113.57</b>	<b>7080.7</b>	<b>0</b>	<b>52194.27</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5287.81	507.28	-	<b>5795.09</b>
Reduction	-	-	-	-
<b>Net Change</b>	<b>5287.81</b>	<b>507.28</b>	<b>-</b>	<b>5795.09</b>

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	39582.11	7271.23	-	<b>46853.34</b>
ii) Interest due but not paid	10810.47	298.37	-	<b>11108.84</b>
iii) Interest accrued but not due	8.8	18.38	-	<b>27.18</b>
<b>Total (i+ii+iii)</b>	<b>50401.38</b>	<b>7587.98</b>	-	<b>57989.36</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹ in Lac)
		Mr. Sanjay Aggarwal (Whole Time Director)	Mr. Sandeep Aggarwal (Managing Director)	
1.	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39.00	39.00	<b>78.00</b>
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	2.92	2.52	<b>5.54</b>
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0	0	<b>0</b>
2.	Stock Option	0	0	<b>0</b>
3.	Sweat Equity	0	0	<b>0</b>
4.	Commission - As % of profit - Other, specify....	0	0	<b>0</b>
5.	Others, please specify	0	0	<b>0</b>
	<b>Total (A)</b>	<b>41.92</b>	<b>41.52</b>	<b>83.44</b>

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lac)
		Mr. S.P.S. Dangi	Mr. Satya Pal	Mr. Vijay Bhushan	Mrs. Malini Gupta	
1.	<b>Independent Directors</b>					
	Fees for attending board/ committee meetings	2.5	2.5	2.25	1.25	<b>8.50</b>
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>2.5</b>	<b>2.5</b>	<b>2.25</b>	<b>1.25</b>	<b>8.50</b>

<b>2. Other Non-Executive Directors</b>	<b>Mr. S.P.S. Dangi</b>	<b>Mr. Satya Pal</b>	<b>Mr. Vijay Bhushan</b>	<b>Mrs. Malini Gupta</b>	
Fees for attending board/ committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Other, please specify	-	-	-	-	-
<b>Total (2)</b>	-	-	-	-	-
<b>Total (B)=(1+2)</b>	<b>2.50</b>	<b>2.50</b>	<b>2.25</b>	<b>1.25</b>	<b>8.50</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Shambhu Kumar Agarwal (Chief Financial Officer)	Ms. Tannu Sharma (Company Secretary)	Total (₹ in Lac)	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		9.28	1.99	<b>11.27</b>
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961		9.73	2.28	<b>12.01</b>
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961		0	0	<b>0</b>
2.	Stock Option		0	0	<b>0</b>
3.	Sweat Equity		0	0	<b>0</b>
4.	Commission - As % of profit - Others, specify....		0	0	<b>0</b>
5.	Others, please specify		0	0	<b>0</b>
	<b>Total</b>		<b>19.01</b>	<b>4.27</b>	<b>23.28</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					

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Paramount Communications Limited (PCL) is one of India's leading cable manufacturing Companies, having valuable experience of over half a century. Over the years, the Company has widened its portfolio and is an established name in the cable industry. The Company caters to a wide span of industries including Power, Railways, Telecom & IT, Petrochemicals, Construction, Defence and Space Research projects etc. Paramount has a prestigious clientele that includes government, institutional and private sector organisations, both domestic and international.

Paramount is emerging as a 'One Stop Provider' for all cable products by providing complete cabling solutions to its customers. The wide product base includes Low Tension & High Tension Power Cables, Aerial Bunch Cables (ABC), Control & Instrumentation Cables, Thermocouple Extension & Compensating Cables, Fire Performance Cables, Signalling Cables, Axle Counter Cables, Jelly Filled Telephone Cables (JFTC), Optical Fibre Cables (OFC), Installation Cables for Electronic Exchanges, Hook-up/ Jumper/ Drop wire, House wiring and Cables for Submersible Pumps, amongst others.

PCL is an eminent player in the Indian Cable Industry and is renowned for its quality products and strong business ethics, always laying a great emphasis on manufacturing excellence, technological advancement and customer satisfaction.

### **ECONOMIC OVERVIEW**

#### ***Global Economic Overview & Prospects***

The world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in major economies. The growth rates of gross fixed capital formation and aggregate demand continue to remain subdued. The world economy is projected to grow by 2.9 per cent in 2016 and 3.2 per cent in 2017, supported by generally less restrictive fiscal and still accommodative monetary stances worldwide. Emerging market and developing economies (EMDEs) are facing stronger headwinds, including weaker growth among advanced economies and low commodity prices. Major headwinds both cyclical and structural will continue to shape the near-term outlook of the global economy as well as its long-term prospects.

The investment slowdown in China and sharp expenditure compression in major commodity producing countries continue to reverberate around the world economy. Going forward, global growth is projected to pick up modestly, reaching 3.0 percent by 2018 according to World Bank's Global Economic Report.

Sustained policy related and political uncertainties could significantly weigh on activity and investment decisions in both advanced economies and EMDEs. The economic losses associated with leaving the European Union have been estimated by the U.K. Government to amount to 6 percent of GDP after two years in a scenario of severe financial disruption. Growth is increasing, lead by the recovery in the US and other advanced economies, but populism, geopolitical risks and market turmoil are likely to cast some shadows over the optimism.

#### ***The Indian Perspective***

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). Foreign direct investment (FDI) in India has increased by 29 per cent post the launch of Make in India campaign, compared to the 15-month period before the launch. Investment will pick up gradually as excess capacity fades, deleveraging continues for corporations and infrastructure projects.

According to IMF World Economic Outlook Update (January 2016), Indian economy is expected to grow at 7-7.75 per cent during FY 2016-17, despite the uncertainties in the global market. The Economic Survey 2015-16 had forecasted that the Indian economy will grow by more than seven per cent for the third successive year 2016-17 and can start growing at eight per cent or more in next two years. It is anticipated that business conditions in the India will remain positive.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial and economic development as well. Adherence to the set targets with a strategic approach will help India to achieve its long-term potential growth rate as expected.

## **Industry Development & Trends**

Industrial Sector is the key player in accelerating the growth of the Country. Union Budget 2016 budget also confirms the Government policy to revive the investments in the industrial sector by addressing the root problems impacting the sector. India is having the 7<sup>th</sup> largest GDP all over the world. A growth of 7.9% is recorded in the first quarter of 2016 and is a good sign for the upcoming business prospects.

The expenditure on manufacturing activities should boost the 'Make in India' initiative of the Government. Also, the Government has rationalized indirect taxes to give more thrust to domestic manufacturing. Industrial Sector having a substantial contribution of 29.5% in the overall GDP is expected to rise in the coming years.

In these challenging times, Industrial sector have shown resilience taking proactive measures to sustain growth. Further, as stated earlier, impetus on developing industrial corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

## **OPPORTUNITIES & THREATS**

### **Opportunities**

In India, the size of the cable manufacturing industry is approx ₹40,000 crore. The government has announced ambitious plans for infrastructure development. One of the primary focus area of the development plan is railways, with over ₹800,000 Crore as promised investment over the period of 2015-2020. Railways, being one of our largest customer, and since there is a huge opportunity in expansion and modernisation of the Railways, we are bullish on this sector.

The Digital India campaign will require an investment of ₹4,50,000 Crore across various sectors and other flagship projects of the Government. Also, Indian cable industry is expected to rise over 20% over the next 5 years according to Experts of the industry.

Our Company's vision for the coming year is to be a key participant in every relevant initiative of the Government to provide stellar growth and development to the Company.

### **Threats**

#### ***Slow Down and Macro Economic Scenario***

The global economy is losing steam, raising fears of a sluggish recovery in the world's key markets. A British exit (Brexit) from the European Union could cause severe regional and global damage. During the year, manufacturing activities declined by 1.2% as compared to a growth of 2.0% in the previous fiscal. After witnessing these ups and downs in the economy, Company is striving to perform as best as is possible, bagging large, prestigious orders.

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

The business is exposed to foreign currency risk due to import of raw material and export of finished goods involving exchange fluctuations. Significant fluctuation in the currencies could impact the Company's financial performance.

### **Competition**

Paramount takes Competition, whether domestic or international, as a challenge, considering the potential of the industry. Transforming challenges into opportunities has been a practice at Paramount and the Company only undertakes orders where quality is not compromised due to short term gains.

*Paramount is largely focused on the following sectors for demand of its products. The future prospects of the respective sectors are as follows:*

#### **Power Sector**

Power Sector provides one of the most important inputs for the development of a country and availability of reliable and inexpensive power is critical for its sustainable economic development. To sustain GDP growth rate of around 8-9 %, it is imperative that the power sector also grows at the same rate. The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019 with an aim to double the current production capacity.

Government's aggressive infrastructure investment targets and focus on renewable power, a growth rate of 10-12 per cent in the next year is expected.

### **Railways**

The Central Government has chosen railways as one of the important driver for capital formation given the huge potential and has put together a plan to **significantly step up investment in Indian Railways aggregating to ₹800,000 Crore** over the period of 2015-2020. The long-term strategic plan of Railways is to construct six high-capacity, high-speed dedicated freight corridors along the Golden Quadrilateral and its diagonals.

Government has placed strong focus on catalysing development in the country with initiatives such as 'Make in India' and smart cities program. There is also great emphasis on improving metro and rail connectivity in India. These projects will come together to fuel massive growth in the cable industry across the country as power and control cables will play a critical role in the development of the metros and rails.

In view of above operational and upcoming railways and metro projects, good business is expected from this sector as demand of signalling cables and axle counter cables shall rise significantly.

### **Telecommunications**

India is currently the world's second-largest telecommunications market and has registered phenomenal growth in the past decade and half. The growth of world-class telecommunication infrastructure in the country has been driven by proactive policy initiatives. National Telecom Policy-(NTP) 2012 is designed to ensure that India will be a key player in the transformation of socio-economic scenario through accelerated equitable and inclusive economic growth by laying special emphasis in rural and remote areas. The Twelfth Plan period needs to leverage the new technological developments in the sector and provide affordable value added services.

Government is taking initiative to make India a hub for telecom equipment manufacturing by incentivising domestic manufacturers with thrust on IPR, product development and commercialisation increase domestic manufactured products in telecom network to the extent of 60 per cent with value addition of 45 per cent by 2017.

Besides the above, major Investment would be required during the Twelfth Five Year Plan in the area of network expansion in the rural and remote areas, network upgradation in customer demand cycles, 3G subscriber base, NGN and IPV6, rural telephony, broadband expansion, National Optical Fiber Network (NOFN).

### **Building, Construction and Real Estate**

The real estate sector is one of the most globally recognised sectors and is slated to grow at 30 per cent over the next decade. The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP) which will be going to increase the demand of House wires. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the cable companies.

## **PRODUCT WISE BUSINESS ANALYSIS AND PERFORMANCE**

### ***Power & Railway Cables***

The Company supplies various kinds of electric cables such as LT/HT Power Cables, Control Cables, Instrumentation Cables, Thermocouple Cables, Railway Signalling Cables, Copper Flexible & Industrial Wires. During the year the Company sold power cables amounting to ₹289.85 Crore as compared to ₹328.20 Crore in the previous year.

Power and railway cables constitute approximately 84.28% of gross turnover of the Company for the financial year 2015-2016.

### ***Jelly Filled Telephone Cables (JFTC)***

The Company sold Jelly Filled Telephone Cables amounting to ₹18.26 Crore against ₹43.76 Crore in the previous year.

Jelly Filled Telephone Cables segment comprises 5.30% of Company's gross turnover for the financial year 2015-2016.

### **Optical Fibre Cables (OFC)**

The growth in this segment has been long foreseen, the turnover of the Company in OFC has declined in the fiscal 2015-2016. The Company sold Optical Fibre Cables amounting to ₹32.65 Crore as compared to ₹110.36 Crore in the previous year.

Optical Fibre Cables comprises of 9.49% of gross turnover of the Company for the financial year 2015-2016. The Company needs to focus in this segment as the demand of OFC is likely to rise at a rapid pace in future.

### **COMPETITIVE BUSINESS STRATEGY & OUTLOOK**

Paramount is known for the quality of its cables and the Company's research team is fully committed to develop tailor made and innovative cables in order to suit the requirements of the customers. Paramount is sure to continually improve its performance with its following key strengths:

1. The Company stands amongst a few with the widest spectrum of cables and wires serving virtually all industrial sectors and with an unrivalled presence in three of the five core infrastructure sectors.
2. Its diversified business model enhances its revenue enhancing ability from multiple sectors.
3. Paramount is known for the quality of its cables and Company's research team is fully committed to develop custom-made, innovative cables to the satisfaction of its customers.
4. The Company serves the core and prime infrastructure sectors including power, telecom, real estate, railways and domestic building wires. The Company is an approved supplier of cables to Government and public sector enterprises along with major players in the private sector and derives its major revenues from government and institutional sales.
5. The Company's products meet the technological parameters and specifications of national and international agencies and holds major accreditations and approvals from its clients.
6. Swing capability (ability to use the same manufacturing infrastructure to manufacture different varieties of cables) has made your Company capable of offering a very wide product basket.

### **Exports**

Due to the global economic meltdown, recession and poor economic conditions in the UK market, the Company's export business decreased from ₹15.52 Crore during previous year to ₹0.12 Crore during the year under review. However, the Company is again focussing on Export potential and massive efforts to revive exports.

### **Financial Performance**

The gross turnover (standalone) including other income of the Company is ₹346.33 Crore for the year ended 31<sup>st</sup> March, 2016 as compared to ₹498.56 Crore during the previous year. The Company has incurred a net loss of ₹122.29 Crore as against net loss of ₹103.14 Crore during previous year.

The Company incurred losses on account of adverse market conditions resulting in significant reduction in demand for cables. The Company has been facing a challenging business environment, heavy debt and interest burden and intense volatility in prices of basic inputs affecting its financial position adversely. However, the Company is optimistic about a change in the country's economic scenario in the coming fiscal.

Total financial costs during the year have increased to ₹73.79 Crore as against ₹61.01 Crore during previous year.

The consolidated gross turnover of the Company (including other income) is ₹346.35 Crore and the Company incurred net loss of ₹123.88 Crore for the year ended 31<sup>st</sup> March, 2016 as compared to ₹499.53 Crore and net loss of ₹100.96 Crore respectively during the previous year.

### **Borrowing position**

Borrowings excluding working capital facilities as at 31<sup>st</sup> March, 2016 are ₹215.99 Crore as compared to ₹182.17 Crore during the previous year. These borrowings include term loans from banks of ₹212.25 Crore and loans from financial institutions of ₹3.74 Crore.

### **Fixed Assets**

Gross Fixed Assets as at 31<sup>st</sup> March, 2016 are ₹186.35 Crore as compared to ₹184.03 Crore as at 31<sup>st</sup> March, 2015.

### **Inventories**

Level of Inventories as at 31<sup>st</sup> March, 2016 is ₹53.88 Crore as compared to ₹75.78 Crore as at 31<sup>st</sup> March, 2015.

### **Sundry Debtors**

Sundry Debtors as at 31<sup>st</sup> March, 2016 are ₹133.77 Crore as compared to ₹157.22 Crore as at 31<sup>st</sup> March, 2015. These are considered good and realizable.

### **Earnings per Share**

Basic Earnings per Share for the year ended 31<sup>st</sup> March, 2016 is ₹(9.76) as compared to ₹(8.24) for the year ended 31<sup>st</sup> March, 2015 and Diluted Earnings per Share for the year ended 31<sup>st</sup> March, 2016 is ₹(9.76) as compared to ₹(8.24) for the year ended 31<sup>st</sup> March, 2015.

### **Internal Control System**

The Company has adequate internal control procedures commensurate with the nature and size of its business. The Company has a well-defined organizational structure, well documented policies, guidelines and clearly defined authority levels.

### **Risk Management**

#### ***Business Risk***

The state of the Indian economy and the development in infrastructure, power and industrial projects and expansion have a direct bearing on the performance of the cable industry and therefore the Company. The instability in key raw material prices especially of metals such as Copper and Aluminium used for manufacturing cables can also have an adverse impact on the performance of the Company.

#### ***Technology Risk***

There is no significant change in the basic technology for the manufacture of cables. Ongoing improvements aim to improve performance of products and carve a niche in an otherwise commoditised sector. The Company closely monitors the latest global trends in the cable industry.

#### ***Financial Risk***

A portion of the Company's revenue comes from exports and it also imports raw materials for the manufacture of cables, both of which need currency exchange. Hence, excessive volatility in currency rates can significantly affect profitability.

#### ***Human Resources***

Human Resource Capital is the most valuable asset of the Company as it holds the key to the success of the organization. The Company has low labour turnover and has an adequate system to reward and recognize employee contribution towards the growth of the Company.

### **Cautionary Statement**

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "*forward-looking statements*" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PERSPECTIVE ON CORPORATE GOVERNANCE

Paramount Communications Limited looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. In addition to compliance with regulatory requirements, we endeavor to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

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 (*erstwhile Listing Agreement*). 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

In accordance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, more than one-half of the Board of Directors comprises of Non-Executive Directors. Our Company also complies with the requirement of one-half of the Board to comprise of Independent Directors. The independent and non-executive directors do not have any material pecuniary relationship or transaction with the Company or its executive directors, promoters, or management which may affect their judgments in any manner.

The Board consists of eminent persons with considerable professional expertise and experience in the Cable Industry, Finance, Capital Market and allied fields. The Board's actions and decisions are aligned with the Company's best interests. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. In terms of the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume and the profile of director(s) seeking appointment/reappointment is annexed with the Notice for the ensuing Annual General Meeting.

The composition of the Board of Directors is as follows -

#### 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

#### 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	<b>00236827</b>
Mr. Satya Pal	08/11/1994	None	<b>00287845</b>
Mr. Vijay Bhushan	22/07/2000	None	<b>00002421</b>
Mrs. Malini Gupta	30/01/2015	None	<b>03464410</b>

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

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

During the financial year ended on 31<sup>st</sup> March, 2016, 4 (Four) 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.	27 <sup>th</sup> May, 2015	6	6	4
2.	12 <sup>th</sup> August, 2015	6	6	4
3.	4 <sup>th</sup> November, 2015	6	5	3
4.	9 <sup>th</sup> February, 2016	6	6	4

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM) held on 24<sup>th</sup> September, 2015, along with the number of other Directorships/Committee positions held by them in other Indian Public companies during the year, are as follows:

Name of the Director	Board meetings attended during FY 2015-16	Attendance at the last AGM	No. of Directorships held in other companies*	Committee position held in other companies**	
				Chairperson	Member
Mr. Sanjay Aggarwal	4	Yes	0	0	0
Mr. Sandeep Aggarwal	4	Yes	0	0	0
Mr. S.P.S.Dangi	4	Yes	0	0	0
Mr. Satya Pal	4	Yes	0	0	0
Mr. Vijay Bhushan	3	No	4	2	1
Mrs. Malini Gupta	4	No	0	0	0

\*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 serves as a director.

➤ **Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2015-2016:**

Aggregate value of salary, perquisites and commission paid during the financial year 2015-16 to the executive directors (Key Managerial Personnel) are as follows:-

(Amount in ₹)

Name	Salary and perquisites	Company's Contribution to P.F.	Sitting Fees	Total
Mr. Sanjay Aggarwal	41,52,700	468,000	Nil	46,20,700
Mr. Sandeep Aggarwal	41,11,960	468,000	Nil	45,79,960

The appointment of Mr. Sanjay Aggarwal as Whole Time Director (designated as Chairman & CEO) and Mr. Sandeep Aggarwal, Managing Director of the Company for a period of five years w.e.f. 01.03.2013 has been made at a remuneration of ₹4,00,000/- (Rupees Four Lac) per month (all inclusive). The said appointment has been duly approved by the members of the Company and the Central Government.

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

The Non-executive Directors were 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, 2016 are as follows:

(Amount in ₹)

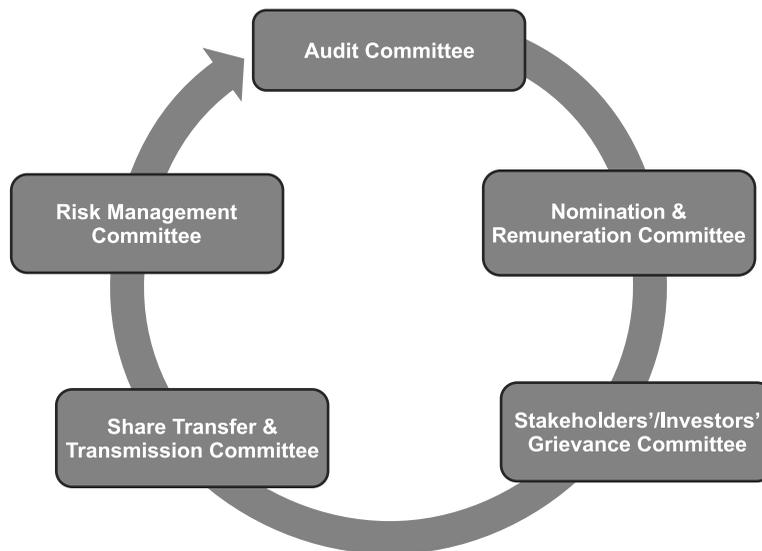
Sr. No.	Name of the Director	Sitting Fee paid
1.	Mr. S.P.S Dangi	250,000
2.	Mr. Satya Pal	250,000
3.	Mr. Vijay Bhushan	225,000
4.	Mrs. Malini Gupta	125,000

➤ **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, 2016. 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.

**3. BOARD COMMITTEES**

The Board has established five 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, 2016 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 the members of 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 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 24<sup>th</sup> September, 2015. 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	03

**Meetings of Audit Committee held during the financial year 2015-16.**

During the financial year ended on 31<sup>st</sup> March, 2016, 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			
		27 <sup>th</sup> May, 2015	12 <sup>th</sup> August, 2015	4 <sup>th</sup> November 2015	9 <sup>th</sup> February, 2016
Mr. S. P. S. Dangi	Chairman	✓	✓	✓	✓
Mr. Satya Pal	Member	✓	✓	✓	✓
Mr. Vijay Bhushan	Member	✓	✓	Leave of Absence	✓

Proper quorum was present at the aforementioned meetings of the Audit Committee.

The Internal Auditor and the Statutory Auditors are invitees to the meetings of Audit Committee.

**Powers of Audit Committee**

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. 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 as stipulated under 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:

1. Management Discussion and Analysis of the Company's financial condition and results of operations.

2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal Audit Reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the internal auditors.

**Terms of reference of Audit Committee**

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

**(b) 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 review/revise or modify the remuneration of the executive directors. 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 12 <sup>th</sup> August, 2015
Mr. Satya Pal	Chairman	✓
Mr. SPS Dangi	Member	✓
Mr. Vijay Bhushan	Member	✓

**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
3. 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.

**(c) STAKEHOLDERS’ RELATIONSHIP/INVESTOR’S GRIEVANCE COMMITTEE**

At present 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. The Board has designated Ms. Tannu Sharma, Company Secretary as the Secretary.

**Meetings**

During the financial year ended on 31<sup>st</sup> March, 2016, 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 meetings
		27 <sup>th</sup> May, 2015
Mr. Vijay Bhushan	Chairman	✓
Mr. Sanjay Aggarwal	Member	✓
Mr. Sandeep Aggarwal	Member	✓

One investor complaint was received during the year under review, which was duly addressed. Total number of requests received were 2 (two) and all of them were replied to the satisfaction of the shareholders. All the investors’ grievances and complaints have been resolved as and when received and there were no outstanding complaints/requests as on 31.03.2016.

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.

**(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.

During the year ended 31<sup>st</sup> March, 2016, the committee met 3 times and 3 transfer requests for transfer of 901 shares were approved thereafter.

There were no outstanding complaints/requests and no transfer was pending as on 31<sup>st</sup> March, 2016.

**(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 Directors at the meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings
		12 <sup>th</sup> August, 2015
Mr. Sanjay Aggarwal	Chairman	✓
Mr. Sandeep Aggarwal	Member	✓

**(f) MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. All the information sought by the directors was provided to them for perusal. One meeting of Independent directors was held during the year, in the absence of Executive members of the Board and other senior managerial personnel of the Company.

Name of the Director	Presence of directors at the meetings
	9 <sup>th</sup> February, 2016
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	24 <sup>th</sup> September, 2015 at 11.30. A.M	26 <sup>th</sup> September, 2014 at 2.30. P.M	20 <sup>st</sup> September, 2013 at 12.00 Noon
<b>Financial year</b>	2014-2015	2013-2014	2012-2013
<b>Venue</b>	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.
<b>Special Resolution(s) passed</b>	Regularization & Re-appointment of Mrs. Malini Gupta, as an Independent Director in terms of the Companies Act, 2013.  Resolution under Section 180(1) (c) of the Companies Act, 2013 to approve the overall borrowing limit upto ₹1000 Crore;	For appointment of Mr. S.P.S Dangi as an Independent Director of the Company to hold office up to 31 <sup>st</sup> March, 2019;  For appointment of Mr. Satya Pal as an Independent Director of the Company to hold office up to 31 <sup>st</sup> March, 2019;	-None-

Date & Time	24 <sup>th</sup> September, 2015 at 11.30. A.M	26 <sup>th</sup> September, 2014 at 2.30. P.M	20 <sup>th</sup> September, 2013 at 12.00 Noon
	<p>Resolution under Section 180(1) (a) of the Companies Act, 2013 to approve the overall limit of ₹1000 Crore;</p> <p>Alteration of Memorandum of Association and adoption of new Memorandum as per the provisions of the Companies Act, 2013;</p> <p>Alteration of Articles of Association and adoption of new Articles as per the provisions of the Companies Act, 2013;</p> <p>Making contribution for bonafide and charitable purposes not exceeding ₹25 Lac in one Financial year;</p> <p>To approve related party transaction not exceeding ₹100 Crore in one Financial year;</p> <p>To approve the remuneration of the Cost Auditor for the financial year 2015-2016.</p>	<p>For appointment of Mr. Vijay Bhushan as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019;</p> <p>For alteration of Articles of Association thereby enabling an individual to act as Chairman &amp; Chief Executive Officer of the Company.</p>	-None-

#### 5. POSTAL BALLOT

During the financial year ended 31<sup>st</sup> March, 2016, no special resolution was passed by the Company, which required the use of postal ballot process.

#### 6. DISCLOSURES

- i. **Disclosures on materially significant related party transactions i.e. transactions 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. 30 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, which is uploaded on the website of the Company and is available at the link: [http://www.paramountcables.com/PCL\\_%20Policy%20for%20dealing%20with%20Related%20Party%20Transactions.pdf](http://www.paramountcables.com/PCL_%20Policy%20for%20dealing%20with%20Related%20Party%20Transactions.pdf)

- 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 fully complied with the requirements of the regulatory authorities in capital markets. There have been no instances of non-compliance by the Company with any matter whatsoever relating to the requirements as stipulated by the regulatory authorities on capital markets or are for the time being in force. No penalty or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

iii. **Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Vigil Mechanism Policy/ Whistle Blower Policy was approved by the Board of Directors and was duly adopted by the Company. No personnel of the Company had approached the Audit Committee during the year under reporting. The Company has never denied access to any personnel to approach the Audit Committee. A copy of the said policy is also available on the Company's website at the following link: [http://www.paramountcables.com/Whistle%20Blower%20Policy%20\(Vigil%20Mechanism%20Policy\).pdf](http://www.paramountcables.com/Whistle%20Blower%20Policy%20(Vigil%20Mechanism%20Policy).pdf)

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

M/s B.L. Gupta & Associates, 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 erstwhile Clause 49 of the Listing Agreement. The same is available on the Company's website at the following link: [http://www.paramountcables.com/PCL\\_%20Policy%20%20for%20dealing%20with%20Related%20Party%20Transactions.pdf](http://www.paramountcables.com/PCL_%20Policy%20%20for%20dealing%20with%20Related%20Party%20Transactions.pdf)

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

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

viii. **Accounting Standards**

The Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and there has been no deviation in the accounting treatment during the year.

ix. **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.

Note:

- 1) \*The Board of Directors of Paramount Holdings Limited have initiated steps to liquidate the Company.
- 2) \*\*AEI Power Cables Limited, United Kingdom has ceased to trade. The management of the Company is contemplating to get the Company's name struck off, as per the applicable laws.

x. **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**.

xi. **Reconciliation of Share Capital Audit**

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

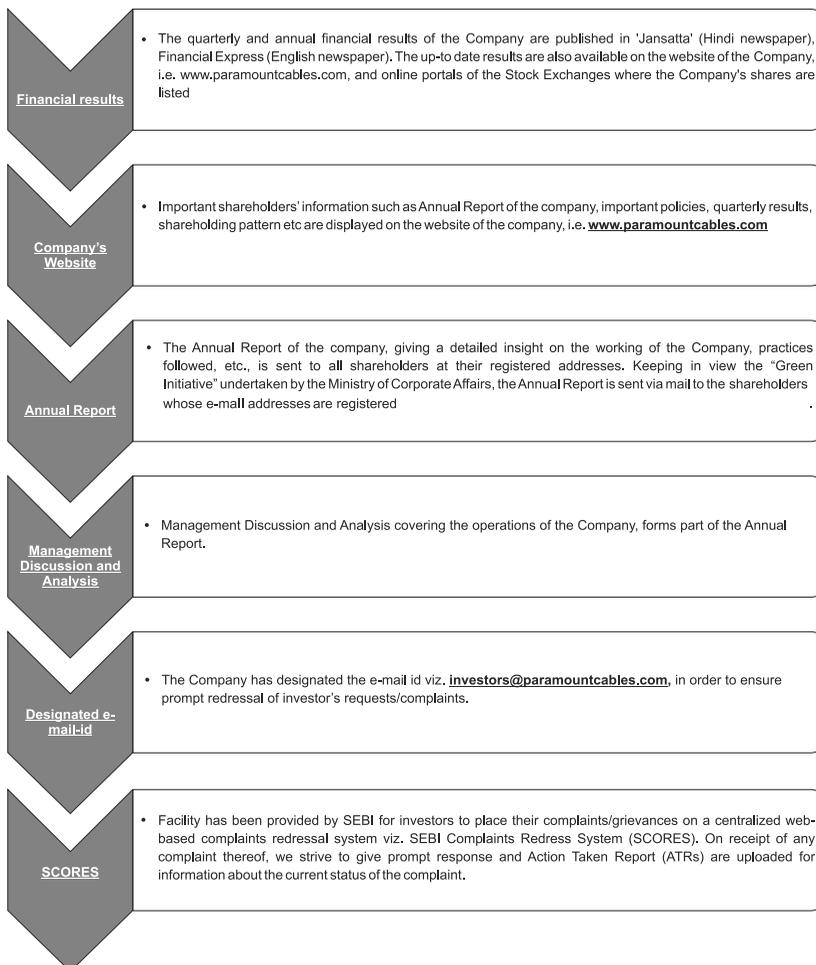
Services (India) Limited (CDSL) and certify the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of shares held in dematerialized form with NSDL and CDSL.

**xii. Code of Conduct for Prevention of Insider Trading**

“Code of Conduct for Prevention of Insider Trading” (Insider Code) has been set in place by the company, to prevent misuse of unpublished price sensitive information for individual benefit, by those who have access to such information by virtue of their employment or association with the Company. The Board of Directors at its meeting held on 27<sup>th</sup> May, 2015 approved and adopted the ‘Code of Conduct for Prevention of Insider Trading’ in line with SEBI (Prohibition of Insider Trading) Regulation, 2015. A copy of the Insider Code is available on the website of the Company at the following link: <http://www.paramountcables.com/Code%20on%20prevention%20of%20Insider%20Trading.pdf>

**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:



## 8. GENERAL SHAREHOLDER INFORMATION

CIN	L74899DL1994PLC061295
Registered Office	C-125, Naraina Industrial Area, Phase-1, New Delhi-110028.
Compliance officer	Ms. Tannu Sharma, Chief Compliance Officer and Company Secretary
Twenty Second Annual General Meeting • Day, Date & Time • Venue	Tuesday, the 27 <sup>th</sup> September, 2016 at 11.30 AM Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi 110054, India.
Financial Year	1 <sup>st</sup> April of each year to 31 <sup>st</sup> March of the next year
Face Value per Equity share	₹2/-
Dividend Payment date	Not Applicable
Book Closure	Wednesday, the 21 <sup>st</sup> September 2016 to Tuesday, the 27 <sup>th</sup> September, 2016 (both days inclusive).
ISIN Number	<ul style="list-style-type: none"> <li>• Demat ISIN Number in NSDL and CDSL for Equity Shares is INE074B01023</li> <li>• The ISIN of Global Depository Receipts and One Percent Unsecured Foreign Currency Convertible Bonds due 2011 are US69921M1027 and XS0276171823 respectively.</li> </ul>

### ➤ Financial Calendar (Tentative)

Results for quarter ending 30 <sup>th</sup> June, 2016	Mid August, 2016
Results for quarter/ half-year ending 30 <sup>th</sup> September, 2016	Mid November, 2016
Results for quarter ending 31 <sup>st</sup> December, 2016	Mid February, 2017
Results for year ending 31 <sup>st</sup> March, 2017	End May, 2017
Annual General Meeting (i.e., next year)	September, 2017

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

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

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

The Global Depository Receipts (GDRs) and the Foreign Currency Convertible Bonds {FCCBs} \*\* issued by the Company in the international market are listed at Luxembourg Stock Exchange, Luxembourg.

\*\* The Outstanding US \$ 7.5 Million Foreign Currency Convertible Bonds (FCCB's) of the Company were due for repayment on 23<sup>rd</sup> November, 2011. However, these bonds were not redeemed on their redemption date and are still outstanding.

➤ **Payment of Listing fee**

The annual listing fee for the financial year 2016-17 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 2016-2017 has been duly paid by the Company to NSDL and CDSL.

➤ **Share Transfer System**

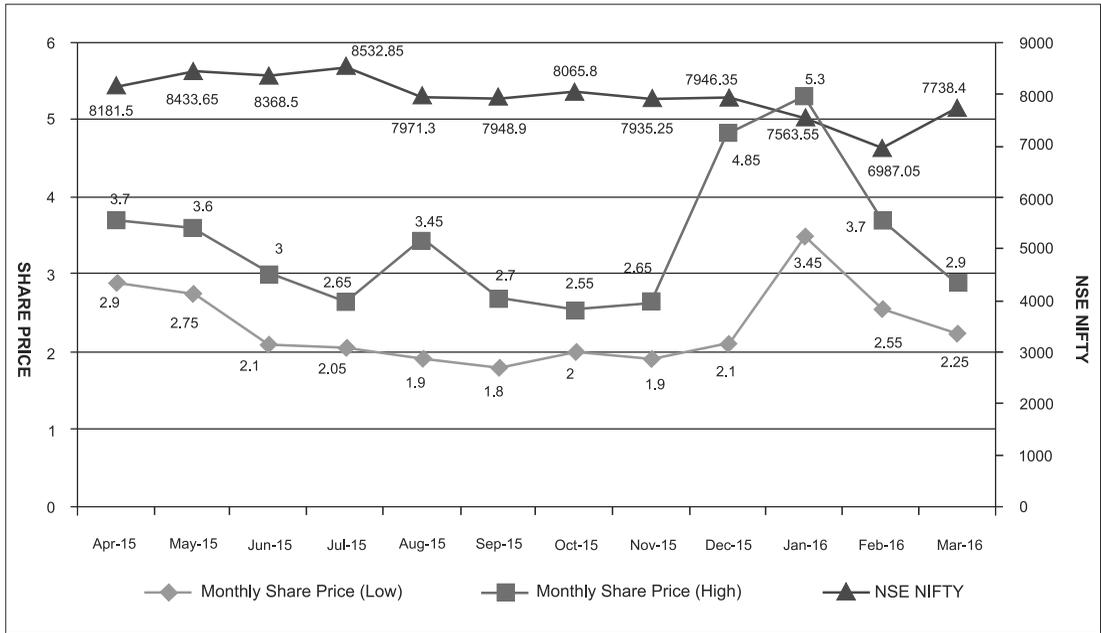
The Company has a sound share transfer process. The Company has appointed M/s Link Intime India Private Limited, as its share transfer agent. After the Share Transfer Agent complete the formalities of transfer/transmission, approval of transfer of shares in the physical form is done by the Share Transfer & Transmission Committee of the Company. As the Company's shares are traded in dematerialized form, transfers are processed and approved in the electronic form by NSDL/CDSL through their depository participants.

➤ **Stock Price Data:**

a) **NSE Scrip Code: PARACABLES (For the period: April, 2015 to March, 2016)**

Value in ₹

Month	Open Price	High Price	Low Price	Close Price	Spread*		NSE NIFTY (closing prices)
					H-L	C-O	
April 2015	2.90	3.70	2.90	3.05	0.80	0.15	8181.50
May 2015	2.85	3.60	2.75	2.95	0.85	0.10	8433.65
June 2015	2.95	3.00	2.10	2.40	0.90	-0.55	8368.50
July 2015	2.50	2.65	2.05	2.25	0.60	-0.25	8532.85
August 2015	2.25	3.45	1.90	2.15	1.55	-0.10	7971.30
September 2015	2.20	2.70	1.80	2.25	0.90	0.05	7948.90
October 2015	2.30	2.55	2.00	2.25	0.55	-0.05	8065.80
November 2015	2.05	2.65	1.90	2.25	0.75	0.20	7935.25
December 2015	2.15	4.85	2.10	4.85	2.70	2.70	7946.35
January 2016	5.05	5.30	3.45	3.80	1.85	-1.25	7563.55
February 2016	3.70	3.70	2.55	2.75	1.15	-0.95	6987.05
March 2016	2.80	2.90	2.25	2.60	0.65	-0.20	7738.40



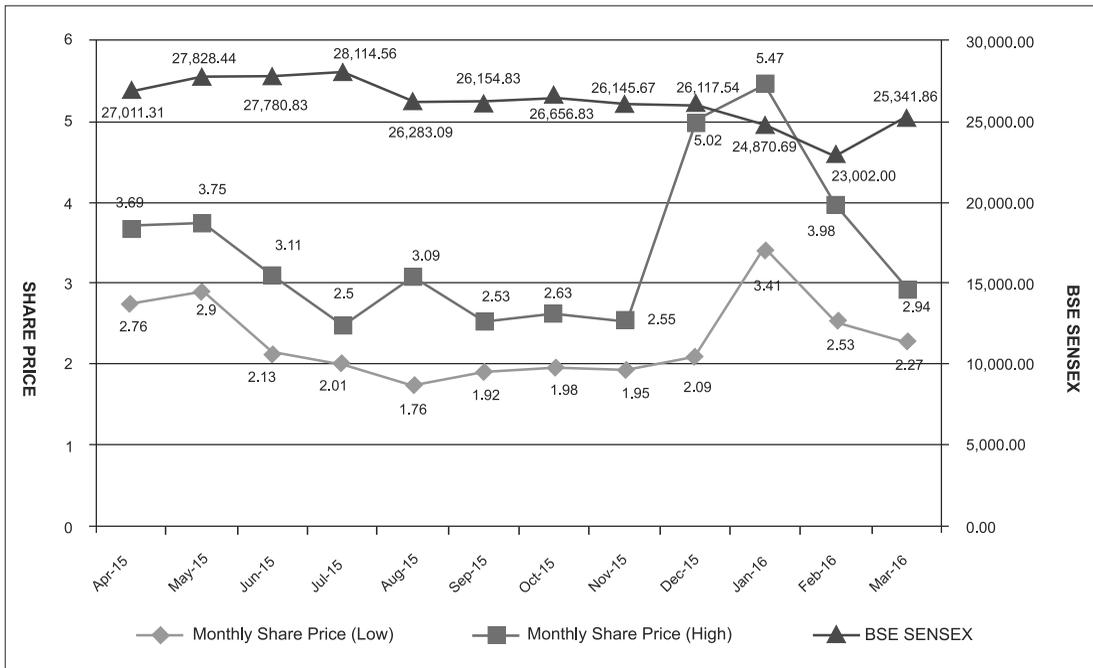
**BSE Scrip Code: 530555**

**(For the period: April, 2015 to March, 2016)**

Value in ₹

Month	Open Price	High Price	Low Price	Close Price	BSE (Closing Price)	Spread	
						H-L	C-O
April 2015	2.88	3.69	2.76	3.06	27,011.31	0.93	0.18
May 2015	3.29	3.75	2.90	3.11	27,828.44	0.85	-0.18
June 2015	3.00	3.11	2.13	2.35	27,780.83	0.98	-0.65
July 2015	2.35	2.50	2.01	2.35	28,114.56	0.49	0.00
August 2015	2.13	3.09	1.76	2.41	26,283.09	1.33	0.28
September 2015	2.30	2.53	1.92	2.19	26,154.83	0.61	-0.11
October 2015	2.01	2.63	1.98	2.18	26,656.83	0.65	0.17
November 2015	2.20	2.55	1.95	2.15	26,145.67	0.60	-0.05
December 2015	2.50	5.02	2.09	5.02	26,117.54	2.93	2.52
January 2016	5.26	5.47	3.41	3.80	24,870.69	2.06	-1.46
February 2016	3.70	3.98	2.53	2.70	23,002.00	1.45	-1.00
March 2016	2.72	2.94	2.27	2.61	25,341.86	0.67	-0.11

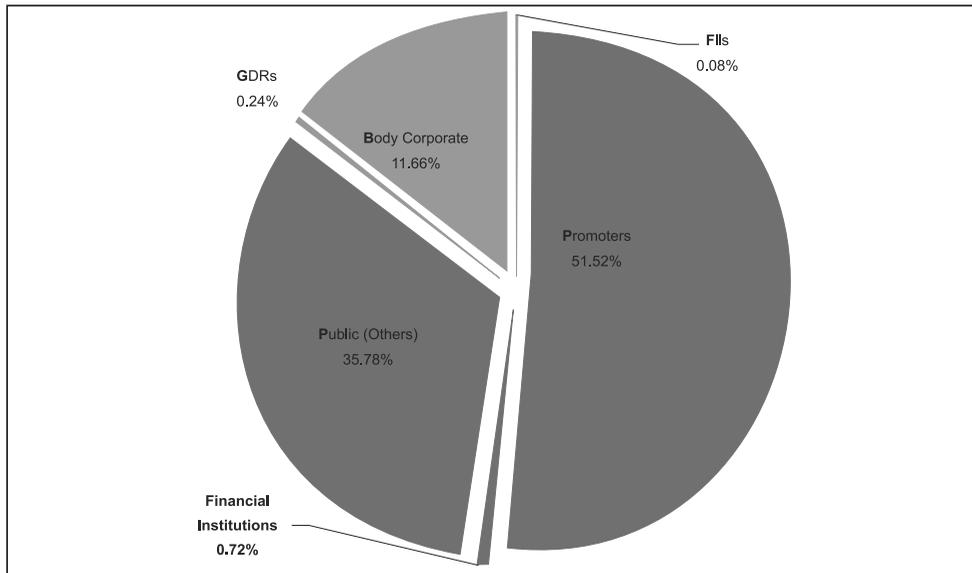
### Performance of equity shares in comparison with BSE SENSEX during the Financial Year 2015-2016



### Distribution of Shareholding and shareholding Pattern as on 31.03.2016.

Shareholding of nominal value of Rupees	No. of Shareholders		No. of Shares held	Amount	
	Number	% to total		In ₹	% to total
Upto 500	18815	65.41	3874290	7748580	3.09
501 - 1,000	4601	15.99	3837424	7674848	3.06
1,001 - 2,000	2407	8.37	3813540	7627080	3.04
2,001 - 3,000	937	3.26	2412420	4824840	1.93
3,001 - 4,000	422	1.47	1529358	3058716	1.22
4,001 - 5,000	424	1.48	2023224	4046448	1.61
5,001 - 10,000	554	1.93	4224875	845750	3.38
10,001 & Above	602	2.09	103518334	207036668	82.67
<b>Total</b>	<b>28762</b>	<b>100.00</b>	<b>125233465</b>	<b>250466930</b>	<b>100.00</b>

### Shareholding Pattern of the Company as at 31<sup>st</sup> March, 2016



➤ **Steps taken by the management for company's revival: Reference made to BIFR**

The Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide order No. 77/2013 dated 31.10.2013. BIFR has restrained the company from disposing of or alienating, in any manner, any fixed assets of the Company, without obtaining consent of BIFR.

➤ **Outstanding GDR/Warrants and Convertible Bonds, conversions date and likely impact on the equity.**

The Company raised US\$ 27 Million by way of allotment of 1% Unsecured Foreign Currency Convertible Bonds (FCCBs) due on 23<sup>rd</sup> November, 2011 in the financial year 2006-07. During the financial year 2009-10, the Company bought back 3,900 bonds of US\$ 5,000 each at a discount. Outstanding FCCBs amounting to US\$ 7.5 million were due for redemption on 23<sup>rd</sup> November, 2011 at a premium equal to 145.54% of the outstanding principal amount i.e. @ US\$ 7,277. Pending redemption, a winding up petition was filed against the Company by the trustees on behalf of FCCB holders. However, in the hearing held on 16.12.2014, the Winding up petition so filed was dismissed by the Hon'ble High Court of Delhi on the ground that the Company is registered under Section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985. The Hon'ble Court also directed the Trustees that they can proceed further against the company for recovery of the dues only after seeking prior approval from Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. However, no further action has been initiated by the Trustees and status quo is being maintained.

➤ **Dematerialization of Shares**

At the end of the year 2015-2016 around 99.03% 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, 2016)**

**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

➤ **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 Chief Compliance Officer & Company Secretary**

Paramount Communications Ltd.

C-125, Naraina Industrial Area, Phase-I,

New Delhi – 110028, India

**E-mail:**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**

44, 11<sup>nd</sup> Floor, Community Centre,

Naraina Industrial Area, Phase-I,

New Delhi-110028

Phone(s) +91-11-4141 0592, 93, 94

## AUDITOR'S CERTIFICATE

The Members,

**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 31st March 2016, as stipulated in:
  - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 01, 2015 to November 30, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
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 for 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 Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, in all material respects
4. We state that such compliance is neither an 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 JAGDISH CHAND & CO.**  
CHARTERED ACCOUNTANTS

**(J.C. GUPTA)**

Partner

M.No.:006107

Firm Registration No.: 000129N

Place : New Delhi

Date : 05.08.2016

### 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 2015-2016.

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.

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

Date: 05.08.2016

Place: New Delhi

**(Sanjay Aggarwal)**

**Chairman & CEO**

05.08.2016

**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, 2016 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).

Thanking you,

Yours Faithfully,

For **Paramount Communications Limited**

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

**(Shambhu Kumar Agarwal)**  
**Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
**PARAMOUNT COMMUNICATIONS LIMITED**

### Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **Paramount Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Opinion

8. 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 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 state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

9. We draw attention to
  - a. Note 36 to the financial statements. The accompanying financial statements have been prepared on a going concern basis despite negative net worth, overdue in repayment of loan installments, interest to banks, working capital facilities from banks, overdue in redemption of Foreign Currency Convertible Bonds (FCCBs). The appropriateness of the said

basis is inter-alia dependent on Company's ability to generate profit in future years and meet its financial obligations and also dependent on induction of financial investors in the company and/or joint venture with foreign companies.

- b. Wherever, interest on borrowings has not been applied by banks, interest on those borrowings has been provided as per best estimates of the management. (Refer Note 25.1)
- c. During the year a bank has assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitisation and Asset Reconstruction Company (Refer Note 9.3)

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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) *The going concern matter described in sub-paragraph 9 (a) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
  - (h) 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 knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2016 on its financial position in its financial statements – Refer Note No. 34.1 & 34.3
    - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2016
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2016

For **JAGDISH CHAND & CO.**  
Firm Registration Number: 000129N  
Chartered Accountants

**(J.C. Gupta)**  
Partner

Membership Number: 06107

Place of signature : New Delhi  
Date : 27<sup>th</sup> May, 2016

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Paramount Communications Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016

### 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, 2016 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

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, 2016, 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 **JAGDISH CHAND & CO.**  
Firm Registration Number: 000129N  
Chartered Accountants

**(J.C. Gupta)**  
Partner

Membership Number: 06107

Place of signature : New Delhi  
Date : 27<sup>th</sup> May, 2016

## Annexure B to Independent Auditors' Report

**Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Paramount Communications Limited on the Standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2016**

- 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 11 on fixed assets to the financial statements, are held in the name of the Company, except for details as given below:

- In case of Land :-

<b>Total number of cases:</b>	<b>01</b>
Whether lease hold/ free hold:	Free Hold
Gross Block & Net Block (as at 31.03.2016):	₹ 78,86,689/-

- 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 Act. There is one party covered in the register maintained under Section 189 of the Act, to which Company has given security deposits as per contractual obligations. (Refer Note 13.1)
- (a) In respect of the aforesaid deposit, the terms and conditions under which such deposit was granted are not prejudicial to the Company's interest.
- (b) Since it is a security deposit no schedule for repayment of deposit is applicable and no interest was charged.
- (c) In respect of the aforesaid deposit, there is no amount which is overdue for more than ninety days.
- 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.
- 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, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Customs Duty and Excise Duty as at 31<sup>st</sup> March, 2016 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	20,37,57,113/-	Various years for 2002-03 to 2014-15	CESTAT
		98,35,976/-	Various years for 2007-08 to 2014-15	Commissioner (Appeals)

Name of the Statute	Nature of the Due	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Finance Act	Service Tax	3,13,99,088/-	Various years for 2005-06 to 2009-10	CESTAT
		1,78,378/-	2005-06	Commissioner (Appeals)
Customs Act	Customs Duty	52,47,875/-	2005-06, 2006-07, 2010-11 & 2011-12	CESTAT
Income Tax Act, 1961	Income tax	4,42,98,650/-	2007-08 & 2008-09	Commissioner (Appeals)

viii. Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of loans/ borrowings to banks and Foreign Currency Convertible Bond Holders (FCCBs) as per details given below. (Also refer Note 4.2, 7.2, 9.1 & 9.3).

Name of the Leader	Nature of dues	Period of default	Amount of default ₹
State Bank of India	Rupee Term Loans	Since June 2013	202,239,737/-
	Foreign Currency Term Loan	Since September 2014	190,146,042/-
	Rupee Working Capital Loans	Since November 2014	539,432,964/-
IDBI Bank Limited	Rupee Term Loans	From November 2014 to March 2016	155,650,327/-
	Rupee Working Capital Loans	From November 2014 to March 2016	312,612,302/-
Standard Chartered Bank	Rupee Term Loans	Since June 2013	85,325,945/-
Principal amount of Foreign Currency Convertible Bonds (FCCBs)	FCCBs	Since December, 2011	499,575,000/-
Premium on redemption of FCCB's	FCCBs	Since December, 2011	227,548,097/-

The above information is in respect of defaults in repayment of principal amounts only.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 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 financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **JAGDISH CHAND & CO.**  
Firm Registration Number: 000129N  
Chartered Accountants

**(J.C. Gupta)**  
Partner

Membership Number: 06107

Place of signature : New Delhi  
Date : 27<sup>th</sup> May, 2016

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

Figures in ₹

	Note	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
<b>EQUITY AND LIABILITIES</b>					
Shareholder's funds					
Share Capital	2	326,966,930		326,966,930	
Reserves and surplus	3	(3,681,393,451)	(3,354,426,521)	(2,468,151,806)	(2,141,184,876)
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	886,714,339		1,160,339,581	
Deferred Tax Liability (Net)	5	-		-	
Long Term Provisions	6	21,200,954	907,915,293	17,058,015	1,177,397,596
<b>Current Liabilities</b>					
Short Term Borrowings	7	1,798,329,167		2,147,401,707	
Trade Payables	8				
- Micro, Small and Medium Enterprises		-		-	
- Others		565,293,429		334,499,371	
Other Current Liabilities	9	3,210,722,256		2,024,878,817	
Short Term Provisions	10	2,185,143	5,576,529,995	2,000,410	4,508,780,305
<b>TOTAL</b>			<b>3,130,018,767</b>		<b>3,544,993,025</b>
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Fixed Assets	11				
- Tangible assets	11.1	745,644,891		807,991,888	
- Intangible assets	11.2	2,579,580	748,224,471	1,703,897	809,695,785
Non- Current Investments	12		168,003		168,003
Long Term Loans and Advances	13		30,654,582		30,202,858
<b>Current Assets</b>					
Inventories	14	538,798,171		757,852,276	
Trade Receivables	15	1,337,734,003		1,572,222,402	
Cash and Bank Balances	16	278,765,678		174,242,178	
Short Term Loans and Advances	17	178,421,870		186,560,956	
Other Current Assets	18	17,251,989	2,350,971,711	14,048,567	2,704,926,379
<b>TOTAL</b>			<b>3,130,018,767</b>		<b>3,544,993,025</b>

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our separate report of even date attached  
**For JAGDISH CHAND & CO.**  
 Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
 Director  
 DIN No. 00287845

**(J.C. Gupta)**  
 Partner  
 Membership No. 6107

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

**(Tannu Sharma)**  
 Company Secretary  
 Membership No. ACS 30622

Place of signing : New Delhi  
 Date : 27<sup>th</sup> May, 2016

Place : New Delhi  
 Date : 27<sup>th</sup> May, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Figures in ₹

	Note	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Revenue from Operations (Gross)	19	3,439,150,061		4,966,944,088	
Less: Excise Duty		345,481,070	3,093,668,991	448,721,824	4,518,222,264
Other Income	20		24,167,441		18,681,633
<b>Total Revenue</b>			<b>3,117,836,432</b>		<b>4,536,903,897</b>
<b>Expenses:</b>					
Cost of Materials Consumed	21		2,678,408,784		3,543,357,691
Purchases of Stock in Trade	22		-		36,468,713
(Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-Trade	23		156,890,015		667,417,208
Employee Benefits Expense	24		131,271,744		115,321,841
Finance Costs	25		737,883,530		610,101,678
Depreciation and Amortization Expense	26		85,835,019		92,969,989
Other Expenses	27		565,710,574		501,644,080
<b>Total Expenses</b>			<b>4,355,999,666</b>		<b>5,567,281,200</b>
Profit/(Loss) Before exceptional items and Tax			(1,238,163,234)		(1,030,377,303)
Exceptional Items	28		15,261,301		(1,006,915)
Profit/(Loss) Before Tax			(1,222,901,933)		(1,031,384,218)
Tax Expense					
— Current tax			-		-
— Deferred tax			-		-
Short/(Excess) Provision-Earlier Years					
— Current Tax			-		-
Profit / (loss) for the Year			(1,222,901,933)		(1,031,384,218)
Earnings per Equity Share:	29				
Equity Share of face Value of ₹2/- each					
— Basic (₹)			(9.76)		(8.24)
— Diluted (₹)			(9.76)		(8.24)

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**  
Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
Director  
DIN No. 00287845

**(J.C. Gupta)**  
Partner  
Membership No. 6107

**(S K Agarwal)**  
Chief Financial Officer  
Membership No. 053595

**(Tannu Sharma)**  
Company Secretary  
Membership No. ACS 30622

Place of signing : New Delhi  
Date : 27<sup>th</sup> May, 2016

Place : New Delhi  
Date : 27<sup>th</sup> May, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before taxation and extraordinary items	(1,238,163,234)	(1,030,377,303)
	<b>Adjustment for:</b>		
	Depreciation (Net)	85,835,019	92,969,989
	Financial Costs	737,883,530	610,101,678
	Loss/(profit) on sale/disposal of fixed assets	(198,154)	132,513
	Exchange loss on FCCBs	15,015,000	9,633,000
	Amortisation of FCMITDA	32,718,270	25,681,183
	Provision for leave encashment/ Gratuity	520,425	638,833
	Operating profit before working capital changes	(366,389,144)	(291,220,106)
	<b>Adjustment for:</b>		
	Trade Receivables, Loans and Advances and Other Assets	249,793,249	(245,385,228)
	Inventories	219,054,106	730,785,073
	Trade Payables, Other Liabilities and Provisions	1,273,620,927	(65,302,407)
	<b>Cash generated from operations</b>	<b>1,376,079,138</b>	<b>128,877,331</b>
	Direct tax paid/ Refund	(10,838,663)	(1,377,693)
	<b>Cash flow before exceptional items</b>	<b>1,365,240,475</b>	<b>127,499,638</b>
	Exceptional items	15,261,301	(1,006,915)
	<b>Net cash from operating activities</b>	<b>1,380,501,776</b>	<b>126,492,723</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets and other capital expenditure	(10,563,556)	(27,088,616)
	Diminution in the value of investment in Subsidiary Company	-	25,580,000
	Sale of fixed assets	258,000	-
	<b>Net cash used in investing activities</b>	<b>(10,305,556)</b>	<b>(1,508,616)</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Net of repayments)	(178,716,651)	(128,059,209)
	Working capital facilities from Bank	(349,072,540)	669,408,301
	Hire purchase finance (Net of repayments)	-	(255,199)

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
	Financial Costs	(737,883,530)	(610,101,678)
	Net cash received/(used) from financial activities	(1,265,672,720)	(69,007,785)
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>104,523,500</b>	55,976,322
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2015 (Opening Balance)	174,242,178	118,265,856
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2016 (Closing Balance)	278,765,678	174,242,178
1.	<b>Note:</b> <b>Cash and cash equivalents includes:</b>		
	Cash and bank balances	9,477,768	7,284,536
	Fixed Deposits under lien/ custody with banks/sales tax department	269,287,910	166,490,346
	Unclaimed Dividend Accounts	-	467,296
	<b>Total cash and cash equivalents as per balance sheet</b>	<b>278,765,678</b>	174,242,178
2.	Figures in brackets represent cash outflow		

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**  
Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
Director  
DIN No. 00287845

**(J.C. Gupta)**  
Partner  
Membership No. 6107

**(S K Agarwal)**  
Chief Financial Officer  
Membership No. 053595

**(Tannu Sharma)**  
Company Secretary  
Membership No. ACS 30622

Place of signing : New Delhi  
Date : 27<sup>th</sup> May, 2016

Place : New Delhi  
Date : 27<sup>th</sup> May, 2016

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a Basis of Preparation

- i. In compliance with the accounting standards referred to in Section 133 and the other relevant provisions of the Companies Act, 2013 to the extent applicable, the company follows the accrual system of accounting in general and the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), except where otherwise stated.
- ii. The preparation of accounting statements in conformity with GAAP requires the management to make assumption and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statement and the amounts of income and expenses during the period reported under the financial statements. Any revision to the accounting estimates are recognised prospectively when revised.
- iii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

### b Fixed Assets, intangible assets and capital work-in-progress

- i. Construction period expenses directly attributable to projects are capitalised. Financing cost during the construction period on loans raised for/allocated to qualifying projects is capitalised. Financing cost incurred on general borrowings used for projects is capitalised. The amount of such borrowing is determined after setting off the amount of internal accruals.
- ii. Fixed Assets are stated at cost including allocated costs or valuation less accumulated depreciation.
- iii. The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition/upgradation of software is being capitalised as an asset.

### c Depreciation and Amortisation

- i. The cost of capitalised software is amortised over a period of five years from the date of its acquisition.
- ii. Depreciation on Fixed Assets is calculated on Straight line method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful lives of fixed assets as defined in the Part C of Schedule II of the Companies Act, 2013 has been taken for all tangible assets other than plant & machineries, which useful lives is estimated 20 years based on internal assessment by the management and independent technical evaluation carried out by external valuers. Addition/deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.

### d Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management. Current investments are stated at lower of cost or market value.

### e Inventories

- i. Inventories are valued as follows :
  - Finished Goods are valued at lower of cost or net realisable value.
  - Raw materials are valued at lower of cost or net realisable value.
  - Work-in-Progress is valued at lower of cost or net realisable value.
  - Packing materials, Stores & Spares are valued at cost.
  - Scrap is valued at estimated realisable value.
- ii. Cost of Raw Material is determined on weighted average basis. Cost of Packing Materials and Stores & Spares is determined on weighted average basis. Work-in-Progress includes raw material costs and allocated production overheads on estimated basis. Cost of Finished Goods is determined by taking derived material costs and other overheads.

**f Foreign Currency Transactions**

- i. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
  - In so far as they relate to the acquisition of a depreciable capital assets are adjusted in the cost of assets.
  - In other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA)' and are amortised over period of foreign currency monetary item or up to 31<sup>st</sup> March,2020, whichever is earlier.
- iv. Non monetary foreign currency items are carried at cost.

**g Revenue Recognition**

- i. Sales are accounted for on dispatch of goods from the factory to the customers. Sales are net of returns and include excise duty wherever directly chargeable from customers, but exclude sales tax/VAT.
- ii. Other items of revenue are recognised in accordance with the Accounting Standard on 'Revenue Recognition' (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/ realisation of income, the same is not accounted for.

**h Excise Duty**

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials and capital goods.

**i Employees Benefits**

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by SBI life insurance company Limited under Group Gratuity Scheme. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of employees who are entitled to leave compensatory & encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the profit and loss account of the year in which the related service is rendered.

**j Reserves**

- i. The difference between depreciation on the revalued value of the asset and depreciation on their historical cost is transferred from Revaluation Reserve to General Reserve.
- ii. Project subsidy from State Government is credited to Capital Reserve.

**k Preliminary Expenses**

Public Issue expenditure and premium on redemption of FCCBs / Preference Shares are being written off against securities premium.

**l Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**m Impairment of Fixed Assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

## 2 Share Capital

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	Amount	Nos.	Amount
<b>Authorised:</b>				
250,000,000 (Previous Year 250,000,000) Equity Shares of ₹2/- each		500,000,000		500,000,000
1,000,000 (Previous Year 1,000,000) Redeemable Preference Shares of ₹100/- each		100,000,000		100,000,000
		600,000,000		600,000,000
<b>Issued, Subscribed &amp; Paid up</b>				
125,233,465 (Previous Year 125,233,465) Equity Shares of ₹2/- each fully paid		250,466,930		250,466,930
765,000 (Previous Year 765,000) 0% Non-Convertible Redeemable Preference Shares (NCRPS) of ₹100/- each		76,500,000		76,500,000
<b>Total</b>		<b>326,966,930</b>		<b>326,966,930</b>

### 2.1 Rights, preferences and restrictions attached to Equity Shares

**Equity Shares :** The company has one class of equity shares having a par value of ₹2 /- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

### Rights, preferences and restrictions attached to 0% Non-Convertible Redeemable Preference Shares (NCRPS)

**Rate of Dividend:** 0% rate of dividend. NCRPS are not convertible in equity shares. Redeemable on day and date falling next to date of expiry of a period of 10 years calculated from the date of allotment of these shares. Option of an earlier redemption after expiry of period of 6 months shall be open to Board and can be made by a Board resolution to this effect passed in a duly convened meeting and when consented by the NCRPS shareholders, where the premium payable on redemption shall be adjusted proportionately. **Redemption Value & Premium:** The redemption premium shall be @ 50% of par value and thereby the redemption value shall be 150% of par value after 10 (Ten) years term. There is no right to vote in general. The voting rights shall be restricted to the matters concerning their interest only. **Right to share of Assets:** In the event of winding up of the Company, the NCRPS shareholders shall be entitled to share of assets of the Company in proportion of the preference share capital to aggregate of total paid up capital after settlement of all the liabilities of the Company. The NCRPS shareholders shall have a preferential right on the assets of Company over the Equity shareholders while distribution of assets among shareholders in the event of winding up of Company.

### 2.2 Reconciliation of Number of Equity Shares

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	125,233,465	250,466,930	125,233,465	250,466,930
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	125,233,465	250,466,930	125,233,465	250,466,930

### Reconciliation of Number of Preference Shares

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	765,000	76,500,000	765,000	76,500,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	765,000	76,500,000	765,000	76,500,000

**2.3 List of Shareholders holding more than 5% of the aggregate Shares:**
**Figures in ₹**

Name of Shareholder	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	%age	Nos.	%age
<b>Equity Shareholders</b>				
M/s Paramount Telecables Limited	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	10.41	13,040,172	10.41
<b>Preference Shareholder</b>				
M/s Paramount Telecables Limited	765,000	100.00	765,000	100.00

**3 Reserves & Surplus**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Capital Reserve</b>				
- Capital Investment Subsidy				
Balance at the beginning of the year	3,000,000		3,000,000	
- Profit on Issue of forfeited shares				
Balance at the beginning of the year	31,100	3,031,100	31,100	3,031,100
<b>Securities Premium Account</b>				
Balance at the beginning of the year	682,104,437		685,929,437	
Less : Provision for Premium on redemption of Preference Shares (Refer Note 3.1)	3,825,000	678,279,437	3,825,000	682,104,437
<b>Revaluation Reserve</b>				
Balance at the beginning of the year	8,898,628		8,958,739	
Less : Transfer to Profit & Loss Account	-		-	
Less : Transfer to General Reserve	60,275	8,838,353	60,111	8,898,628
<b>General Reserve</b>				
Balance at the beginning of the year	25,342,997		25,282,886	
Add : Transfer from Revaluation Reserve (Refer Note 3.4)	60,275	25,403,272	60,111	25,342,997
<b>Surplus</b>				
Balance at the beginning of the year	(3,164,680,113)		(2,123,195,108)	
Add : Adjustment due to depreciation on fixed Assets whose useful life already exhausted as on 1 <sup>st</sup> April, 2014 (Refer note 3.5)	-		(10,100,787)	
Add : Transfer from Profit & Loss Statement	(1,222,901,933)	(4,387,582,046)	(1,031,384,218)	(3,164,680,113)
<b>Foreign Currency Monetary Item Translation Difference Account (FCMITDA)</b>				
Balance at the beginning of the year	(22,848,855)		(36,190,956)	
Add : Additions during the year	(19,232,982)		(12,339,082)	
Less : Written off during the year (Refer Note 3.3)	32,718,270	(9,363,567)	25,681,183	(22,848,855)
<b>Total</b>		(3,681,393,451)		(2,468,151,806)

- 3.1 During the year Redemption Premium payable on prorata basis ₹3,825,000/- (Previous Year ₹3,825,000/-) on 0% Non-Convertible Redeemable Preference share (NCRPS) has been charged to Securities Premium Account.
- 3.2 In view of losses Capital Redemption Reserve required under Section 55 of the Companies Act, 2013 has not been created.
- 3.3 Are amortised over period of foreign currency monetary item or up to 31<sup>st</sup> March, 2020, whichever is earlier.
- 3.4 Amount of Depreciation pertaining to revaluation in case of Buildings has been transferred from Revaluation Reserve.
- 3.5 Written Down Value of Asstes whose useful life is already exhausted as on 1<sup>st</sup> April, 2014 ,amounting to ₹Nil/- (previous year ₹10,100,787/-) has been recognised in the opening balance of Profit & Loss Account (debit).

#### 4 Long Term Borrowings

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Secured</b>				
Term Loans :				
— From Banks				
— Foreign Currency Loan	43,889,739		134,366,826	
— Rupee Loans	805,461,850		988,610,006	
— From Financial Institution	37,362,750	886,714,339	37,362,750	1,160,339,581
<b>Total</b>		<b>886,714,339</b>		<b>1,160,339,581</b>

##### 4.1 Nature of Security :-

###### i Term Loan from Banks:-

Term loans from banks 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 collateral by way of 2<sup>nd</sup> charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/ Promoters Group Companies .

###### ii 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.

##### 4.2. Period and Amount of Default in Repayment :-

- 4.2.1 Due to continuing losses and delays in monetization of an asset stipulated in Corporate Debt Restructuring, EG approved Rework Package, Company is in default as per details given below:

Figures in ₹

Nature of Payment	FY 2015-2016	FY 2014-2015	Period of default
Rupee Loans from banks	287,565,682	159,601,380	Since June,2013
Foreign Currency Loans	190,146,042	89,577,884	Since September,2014
Interest on Loans	538,997,630	287,613,509	Since October,2013

- 4.2.2 Rupee Loans from a bank are in default due to non repayment of recalled loan by a bank .

Nature of Payment	FY 2015-2016	FY 2014-2015	Period of default
Rupee Loans from banks	155,650,327	42,850,323	since November,2014
Interest on Loans	299,440,469	18,225,330	since November,2014

\* At year end these loans have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the bank

4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below :-

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
11.5%	8,000,000	8,600,000	12,920,000	-
10%	-	-	-	37,362,750
10.5%	15,312,802	15,312,802	-	-
9%	73,200,159	181,734,430	272,627,666	-
5.2%	47,536,510	-	-	-
1%	35,389,445	35,389,445	35,389,445	-
0%	41,782,794	45,264,694	20,891,397	-
<b>Total</b>	<b>221,221,710</b>	<b>286,301,370</b>	<b>341,828,508</b>	<b>37,362,750</b>

4.4 This information is as per Corporate Debt Restructuring, EG approved Rework Package.

5 Deferred Tax Liability (Net)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Deferred Tax Assets :</b>				
- Leave Encashment	4,114,939		3,824,178	
- Unabsorbed Depreciation	97,616,070	101,731,009	102,704,363	106,528,541
<b>Deferred Tax Liabilities :</b>				
- Depreciation		101,731,009		106,528,541
<b>Total</b>				
		-		-

5.1 As required by Accounting Standard-22 ('AS-22') in view of existence of Carried forward losses and unabsorbed depreciation under tax laws, Deferred Tax Assets have been recognised only to the extent they are virtually certain to be realised.

6 Long Term Provisions

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>Employee Benefits (Refer Note 24.1)</b>		
— Leave Encashment	9,704,994	9,067,324
— Gratuity	-	319,731
Provision for Premium on Redemption of Preference Shares (Refer Note 2.1 & 3.1)	11,495,960	7,670,960
<b>Total</b>	<b>21,200,954</b>	<b>17,058,015</b>

7 Short Term Borrowings

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>Secured</b>		
— Working Capital Loans from Banks	1,798,329,167	2,147,401,707
<b>Total</b>	<b>1,798,329,167</b>	<b>2,147,401,707</b>

### 7.1 Nature of Security :-

Working Capital facilities from Banks are secured by 1<sup>st</sup> Pari-Passu charge by way of hypothecation on the entire current assets including raw material, stocks in process, finished goods, consumable stores & spares and receivables of the Company, 1<sup>st</sup> Pari-Passu charge on company's property situated at Prahaldpur, Bawana Road, Delhi, 2<sup>nd</sup> Pari-Passu charge on other present and future fixed assets. Further they are secured through collateral by way of 2<sup>nd</sup> charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/ Promoters Group Companies .

### 7.2 Period and amount of default:

- Working Capital Loans from banks are overdrawn to the extent of ₹539,432,964/- (Previous Year ₹598,744,744/-) due to devolvement of Letter of Credits since January, 2014.
- Working Capital Loans from a bank are in default ₹Nil/- (Previous Year ₹281,665,199) due to non repayment of recalled loan by a bank since November, 2014.
- Interest on Working Capital Loans from banks are overdrawn to the extent of ₹549,716,008/- (Previous Year ₹246,705,450/-) due since October, 2013.
- The above information for the period and amount of default as at the year end is after considering loans/interest which have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the bank.

## 8. Trade Payables

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Micro, Small & Medium Enterprises		-		-
Others				
- Acceptances		294,956,554		234,600,771
- Others		270,336,875		99,898,600
<b>Total</b>		<b>565,293,429</b>		<b>334,499,371</b>

8.1 In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 and the companies Act 2013, the outstanding, interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

## 9 Other Current Liabilities

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Current Maturities of Long-Term Debt				
Term Loans :				
From Banks				
— Foreign Currency Loan	285,219,064	179,155,767		
— Rupee Loans	490,245,403	775,464,467	482,167,128	661,322,896
(Refer Note 4.1)				
- Payable to Securitisation and Assets Reconstruction Company		497,703,098		-
(Refer Note 4.1, 7.1 & 9.3)				
Interest accrued and due on borrowings				
(Refer Note 4.1, 7.2 & 9.1)		1,081,046,536		542,182,867
Interest accrued but not due on borrowings		879,714		109,659
Unpaid Dividends		-		467,296
(Refer Note 9.2)				

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Foreign Currency Convertible Bonds (FCCBs) (Refer Note 9.1)		727,123,097		685,096,015
Interest accrued and due on FCCBs (Refer Note 9.1)		29,837,012		21,284,901
Interest accrued but not due on FCCBs		1,837,665		1,689,278
Employee Benefits Payable		26,713,536		13,173,096
Sundry Creditors -Capital Goods		575,999		1,875,303
Statutory Dues Payable		30,304,036		35,368,870
Advance from Customers		11,912,900		13,397,015
Other Payables		27,324,196		48,911,621
<b>Total</b>		<b>3,210,722,256</b>		<b>2,024,878,817</b>

9.1 Period and Amount of Default in repayment and interest :-

- i. Principal amount of ₹499,575,000/- of 1% Foreign Currency Convertible Bonds ('FCCBs') is overdue for repayment since 23rd November, 2011. Interest on FCCBs ₹29,837,012/- due up to 31<sup>st</sup> December, 2015 has also not been paid and is over due. Premium on redemption of FCCB's of ₹227,548,097/- is also over due for payment since 23<sup>rd</sup> November, 2011.
- ii. Refer Note 4.2 for default in repayment of Term Loans.

9.2 No amount is due as on 31<sup>st</sup> March, 2016 for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to the Fund.

9.3 During the year a bank has assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitisation and Asset Reconstruction Company. Accordingly all dues to that bank have been transferred and shown as due to Securitisation and Asset Reconstruction Company.

10 Short Term Provisions

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Provision for Employee Benefits (Refer Note 24.1)</b>				
- Leave Encashment		2,185,143		1,982,657
<b>Others</b>				
- Provision for Wealth Tax		-		17,753
<b>Total</b>		<b>2,185,143</b>		<b>2,000,410</b>

## 11. FIXED ASSETS

### 11.1 Tangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK			DEPRECIATION & AMORTIZATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Year	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.3.2015
<b>Own Assets:</b>										
Land										
— Freehold	12,621,330	-	-	12,621,330	-	-	-	-	12,621,330	12,621,330
— Leasehold	69,055,115	-	-	69,055,115	-	-	-	-	69,055,115	69,055,115
Buildings	235,450,809	4,401,721	-	239,852,530	76,250,775	6,899,429	-	83,150,204	156,702,326	159,200,034
Plant & Equipment	1,378,522,602	16,193,313	-	1,394,715,915	848,324,822	67,719,220	-	916,044,042	478,671,873	530,197,780
Furniture & Fixtures	56,224,225	1,072,939	-	57,297,164	33,230,428	6,588,008	-	39,818,436	17,478,728	22,993,797
Leasehold Building Improvement	11,340,968	-	-	11,340,968	5,125,701	1,459,227	-	6,584,928	4,756,040	6,215,267
Vehicles	30,690,929	-	1,196,928	29,494,001	25,673,060	1,468,332	1,137,082	26,004,310	3,489,691	5,017,869
Office Equipment	14,987,428	1,007,469	-	15,994,897	12,296,732	828,377	-	13,125,109	2,869,788	2,690,696
<b>Total</b>	<b>1,808,893,406</b>	<b>22,675,442</b>	<b>1,196,928</b>	<b>1,830,371,920</b>	<b>1,000,901,518</b>	<b>84,962,593</b>	<b>1,137,082</b>	<b>1,084,727,029</b>	<b>745,644,891</b>	<b>807,991,888</b>
Previous Year	1,774,334,362	35,173,956	614,912	1,808,893,406	899,027,147	92,255,987	10,100,787	482,403	807,991,888	875,307,215

### 11.2 Intangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK			DEPRECIATION & AMORTIZATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Year	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.3.2015
<b>Own Assets (Acquired):</b>										
- Software	31,397,696	1,748,110	-	33,145,806	29,693,800	872,426	-	30,566,226	2,579,580	1,703,897
<b>Total</b>	<b>31,397,696</b>	<b>1,748,110</b>	<b>-</b>	<b>33,145,806</b>	<b>29,693,800</b>	<b>872,426</b>	<b>-</b>	<b>30,566,226</b>	<b>2,579,580</b>	<b>1,703,897</b>
Previous Year	30,591,036	806,660	-	31,397,696	28,979,797	714,002	-	29,693,799	1,703,897	1,611,239

11.3 Land includes addition made due to revaluation as on 31<sup>st</sup> March, 1994 in erstwhile Paramount Cable Corporation ₹ 7650950  
 Building includes addition made due to revaluation as on 31<sup>st</sup> March, 1994 in erstwhile Paramount Cable Corporation ₹ 7406534  
 Amount of Depreciation pertaining to revaluation in case of Buildings ₹ 60275

11.4 Title deeds of factory land at prahladpur, Bawana Road, Delhi measuring 2147.17 sq. mtrs. are in the name of erstwhile Paramount Cable Corporation.

11.5 Title deeds of a part of factory land measuring 961.55 sq. mtr. at prahladpur, Bawana Road, Delhi shown in Balance Sheet at ₹2,386,250 are yet to be registered in name of the Company.

11.6 Land (Freehold) of ₹7,886,689/- as of 31st March, 2016 situated at Prahaladpur, Delhi is under acquisition as per the Land Acquisition Act, 1894. The matter is being contested.

11.7 As per changes made in AS 11 vide Companies(Accounting Standards)Amendment Rules 2009, further amended vide Amendment Rules 2011, during financial year 2008-09 the company exercised option of deferring foreign exchange difference arising on long term foreign currency monetary items viz 'FCCBs', Foreign Currency Term Loan to the Profit and Loss account, in respect of accounting periods commencing on or after December 22, 2006. As a result, such foreign exchange difference relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets and would be depreciated over the balance life of the assets and in other cases has been accumulated in 'FCMITDA'. Exchange loss (net) ₹13,860,000/- (Previous year exchange loss (net) ₹8,892,000/-) has been adjusted in gross block of Fixed Assets. Exchange difference on External Commercial Borrowing (ECBs) raised for repurchasing FCCBs has been transferred to 'FCMITDA'

11.8 Additions are after adjusting exchange loss (net) ₹ 13,860,000/- (Previous Year exchange loss (net) ₹ 8,892,000/-)

Figures in ₹

Assets	31.03.2016	31.3.2015
i. Building	4,401,721	2,822,441
ii. Plant & Equipment	8,712,507	5,591,360
iii. Furniture & Fixtures	493,292	316,305
iv. Software	252,480	161,893
<b>Total</b>	<b>13,860,000</b>	<b>8,892,000</b>

**12 Non Current investment (Long Term Investments)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Other Investments</b> (Valued at Cost unless stated otherwise)				
<b>Quoted</b>				
Equity Shares				
- Haryana Financial Corporation 4,800 (Previous Year 4,800) Equity Shares of ₹10/- each, fully paid		<b>168,000</b>		168,000
<b>Unquoted</b>				
Equity Shares of Subsidiary Companies				
- Paramount Holdings Limited, Cyprus 3675 (Previous Year 3675) Equity Shares of 1.71 each , fully paid	<b>255,469,782</b>		255,469,782	
Less : Provision for Diminution in value of investment	<b>255,469,781</b>	<b>1</b>	255,469,781	<b>1</b>
- AEI Power Cables Limited,United Kingdom 1,000 (Previous Year 1,000) Equity Shares of £1 each, fully paid	<b>76</b>		76	
Less : Provision for Diminution in value of investment	<b>75</b>	<b>1</b>	75	<b>1</b>
- 06196375 Cables Limited (formerly AEI Cables Limited), United Kingdom in administration/liquidation 20,000 (Previous Year 20,000) Equity Shares of £1 each, fully paid	<b>76</b>		76	
Less : Provision for Diminution in value of investment	<b>75</b>	<b>1</b>	75	<b>1</b>
<b>Unquoted</b>				
Preference Shares of Subsidiary Companies				
- AEI Power Cables Limited,United Kingdom 100,000 preference shares (previous year 100,000) of £1 each, fully paid		-		-
- 06196375 Cables Limited (formerly AEI Cables Limited), United Kingdom in administration/liquidation 2,995,000 (previous year 2,995,000) Redeemable Preference Shares of £1 each, fully paid		-		-
<b>Total</b>		<b>168,003</b>		168,003
<b>Quoted Investments</b>				
- Aggregate of Book Value		<b>168,000</b>		168,000
- Aggregate of Market Value		<b>118,320</b>		118,320
<b>Unquoted Investments</b>				
- Aggregate of Book Value		<b>255,469,934</b>		255,469,934
- Aggregate Provision for Diminution in value of investment		<b>255,469,931</b>		255,469,931

- 12.1 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.
- 12.2 AEI Power Cables Limited, United Kingdom has ceased to trade and since the year end it is intention of the Management to strike off the company in due course as per applicable Laws.
- 12.3 The board of directors of Paramount Holdings Limited, Cyprus are taking steps to liquidate Paramount holdings Limited .

### 13 Long Term Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Capital Advances		2,992,220	2,992,220	
Security Deposits				
- Related Parties (Refer Note 13.1)	18,000,000		18,000,000	
- Others	8,831,600	26,831,600	8,777,600	26,777,600
Loans and Advances to Workers & Staff		830,762	433,038	
Advance to Related Parties - Considered Doubtful				
- Paramount Holdings Limited (Subsidiary Company)	7,380,392		7,151,285	
[Maximum Balance during the year ₹7,380,392/- (Previous Year ₹7,151,285/-)]				
Less: - Provision for advances recoverable from subsidiary Company	7,380,392	-	7,151,285	-
<b>Total</b>		<b>30,654,582</b>	<b>30,202,858</b>	

13.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:

Figures in ₹

(a) Loans and Advances in the nature of Security deposit given to Related Parties:

Name	As at 31.03.2016	Maximum Balance during 2015-16	As at 31.03.2015	Maximum Balance during 2014-15
Paramount Telecables Limited	18,000,000/-	18,000,000/-	18,000,000/-	18,000,000/-
— Security deposit for premises taken on rent by the Company and adjustable/refundable as per terms & conditions of the Lease Agreement.				
(b) Investment by the Loanee in the shares of the company				
<u>Equity Shares</u>				
- Amount (par value)	49,703,000		49,703,000	
- No of shares	24,851,500		24,851,500	
<u>Preference Shares</u>				
- Amount (par value)	76,500,000		76,500,000	
- No of shares	765,000		765,000	

### 14 Inventories

(as taken, valued & certified by the management)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Raw Materials		156,078,308		220,007,271
Work -in- Progress		165,908,193		266,280,951
Finished Goods		198,181,805		254,502,921
Stores & Spares		12,495,228		13,393,926
Packing Materials		3,668,399		1,004,828
Scrap		2,466,238		2,662,379
<b>Total</b>		<b>538,798,171</b>		<b>757,852,276</b>

**15 Trade Receivables (Current)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Unsecured</b>				
Outstanding for a period exceeding six months from the date due for payment				
- Considered Good	174,153,925		161,681,913	
- Considered Doubtful	114,917,900		114,772,685	
	289,071,825		276,454,598	
Less: Provision for Bad and Doubtful Debts	114,917,900	174,153,925	114,772,685	161,681,913
Others				
- Considered Good	1,163,580,078		1,410,540,489	
- Considered Doubtful	-		-	
	1,163,580,078		1,410,540,489	
Less: Provision for Bad and Doubtful Debts	-	1,163,580,078	-	1,410,540,489
<b>Total</b>		<b>1,337,734,003</b>		<b>1,572,222,402</b>

**16 Cash and Bank Balances**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Cash on hand		7,187,803		5,675,079
Balances with Banks				
- Current Accounts	2,289,965		2,076,753	
- Fixed Deposits (Refer Note 16.1)	269,287,910	271,577,875	166,490,346	168,567,099
<b>Total</b>		<b>278,765,678</b>		<b>174,242,178</b>
Balance with Bank in Unpaid Dividend Accounts		-		467,296
Fixed Deposit with more than 12 months maturity		131,920,712		41,863,732

16.1 Fixed deposits with banks ₹ 269,287,910/- (Previous Year ₹ 166,490,346/- ) are under lien/custody with banks/ others.

**17 Short Term Loans & Advances (Unsecured, considered good)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Balance with Excise Authorities		51,663,001		60,262,966
Others				
- Advances to Supplier	29,502,018		49,210,097	
- Prepaid Expenses	3,803,901		3,828,687	
- Amount Recoverable in Cash or Kind	2,669,480		2,012,066	
- Earnest Money Deposits	10,835,817		10,558,030	
- Security Deposits	641,921		758,912	
- Loans to Workers & Staff	1,214,047		889,295	
- Advances to Workers & Staff	3,781,965		1,191,010	
- Claims Recoverable from Government	58,293,535		52,654,619	
- Advance Tax/ Income Tax Recoverable	16,016,184	126,758,869	5,195,274	126,297,990
<b>Total</b>		<b>178,421,870</b>		<b>186,560,956</b>

**18 Other Current Assets**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Interest Accrued on Deposits		17,251,989		14,048,567
<b>Total</b>		<b>17,251,989</b>		<b>14,048,567</b>

**19 Revenue From Operations (Gross)**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Sale of Products				
- Manufactured Goods	3,407,529,868		4,823,239,921	
- Traded Goods	-	3,407,529,868	51,126,125	4,874,366,046
Other Operating Revenue				
- Export Benefits	2,523,550		8,772,555	
- Sale of Scrap	29,096,643	31,620,193	83,805,487	92,578,042
<b>Total</b>		<b>3,439,150,061</b>		<b>4,966,944,088</b>

**19.1 Detail of Sales (Manufactured Goods)**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Power Cables		2,898,457,625		3,281,945,726
Jelly Filled Telephone Cables		182,580,220		437,659,032
Optical Fibre Cables		326,492,023		1,103,635,163
<b>Total</b>		<b>3,407,529,868</b>		<b>4,823,239,921</b>

**19.2 Detail of Sales (Traded Goods)**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Cables & Accessories		-		51,126,125
<b>Total</b>		<b>-</b>		<b>51,126,125</b>

**20 Other Income**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Interest Income				
- Fixed Deposits	17,790,213		17,478,603	
- on Income tax Refund	239,583		-	
- Others	5,286,653	23,316,449	1,141,275	18,619,878
Liabilities Written Back		-		61,525
Insurance Claim Received		643,243		-
Miscellaneous Income		9,595		230
Profit on sale/disposal of Fixed Assets (Net)		198,154		-
<b>Total</b>		<b>24,167,441</b>		<b>18,681,633</b>

**21 Cost of Materials Consumed**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
<b>Raw Materials consumed</b>				
- Opening Stock	220,007,271		282,593,742	
Add : Purchases	2,614,479,821		3,480,771,220	
Less : Closing Stock	156,078,308	2,678,408,784	220,007,271	3,543,357,691
<b>Total</b>		<b>2,678,408,784</b>		<b>3,543,357,691</b>

**21.1 Particulars of Raw Materials consumed**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Copper		907,340,058		1,349,553,733
Aluminum		773,009,589		732,930,214
PVC/PE		674,918,137		746,856,729
GI Wires/Strips		171,992,003		203,575,053
Others		151,148,997		510,441,962
<b>Total</b>		<b>2,678,408,784</b>		<b>3,543,357,691</b>

**22 Purchase of Stock in Trade**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Cables & Accessories		-		36,468,713
<b>Total</b>		<b>-</b>		<b>36,468,713</b>

**23 (Increase)/Decrease in Inventory of Finished Goods, Work In Progress and Stock in Trade**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
<b>Opening Stock</b>				
- Finished Goods	254,502,921		661,424,719	
- Work In Progress	266,280,951		522,607,814	
- Scrap	2,662,379	523,446,251	6,830,926	1,190,863,459
<b>Less; Closing Stock</b>				
- Finished Goods	198,181,805		254,502,921	
- Work In Progress	165,908,193		266,280,951	
- Scrap	2,466,238	366,556,236	2,662,379	523,446,251
<b>Total</b>		<b>156,890,015</b>		<b>667,417,208</b>

**24 Employee Benefits Expense**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Salaries, Wages & Others Benefits	120,393,104		105,314,419	
Contribution to Provident & Other Funds	5,906,451		5,502,464	
Welfare Expenses	4,972,189	131,271,744	4,504,958	115,321,841
<b>Total</b>		<b>131,271,744</b>		<b>115,321,841</b>

24.1 The disclosures required under Accounting Standard 15 "Employee Benefits" ("AS-15") are given below:

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under:

**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Contributory Provident Fund & Employees Pension Scheme, 1995		5,906,451		5,502,464

**Defined Benefit Plan**

The company is having following Defined Benefit Plans:

Gratuity (Funded)

Leave Encashment (Unfunded)

Particulars	Gratuity	Leave	Gratuity	Leave
	(Funded) 2015-16	Encashment (Unfunded) 2015-16	(Funded) 2014-15	Encashment (Unfunded) 2014-15
<b>a) Actuarial Assumptions</b>				
Discount rate	7.80	7.70	7.82	7.80
Expected rate of return on assets	8.00	-	8.00	-
Expected rate of future salary increase	8.00	9.00	8.00	9.00
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Present value of obligations as at beginning of year	17,922,541	11,049,981	16,240,254	93,12,746
Interest cost	1,397,958	861,899	1,269,988	8,47,460
Current Service Cost	2,161,616	1,003,776	1,986,395	10,67,727
Benefits paid		(599,144)		(1,034,864)
Actuarial (gain)/loss on Obligations	(1,785,008)	(426,375)	(1,574,096)	8,56,912
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Present value of obligations as at end of year	19,697,107	11,890,137	17,922,541	1,10,49,981
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as on beginning of year	17,602,810	-	14,822,121	-
Expected return on plan assets	1,408,225	-	1,360,219	-
Contributions	1,427,919	-	1,457,737	-
Benefits paid	-	-	-	-
Actuarial Gain/(Loss) on Plan assets	181,927	-	(37,267)	-
Fair value of plan assets at the end of year	20,620,881	-	17,602,810	-
<b>d) Fair value of plan assets</b>				
Fair value of plan assets at beginning of year	17,602,810	-	14,822,121	-
Actual return on plan assets	1,590,152	-	1,322,952	-
Contributions	1,427,919	-	1,457,737	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of year	20,620,881	-	17,602,810	-
Funded status	923,774	(11,890,137)	(319,731)	(11,049,981)
Excess of Actual over estimated return on plan	181,927	-	37,267	-
<b>e) Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year – Obligation	(1,966,935)	426,375	(1,574,096)	(856,912)
Actuarial (gain)/Loss for the year – plan assets	181,927	-	37,267	-
Total (gain)/Loss for the year	(1,785,008)	(426,375)	(1,536,829)	8,56,912
Actuarial (gain)/Loss recognized in the year	(1,785,008)	(426,375)	(1,536,829)	8,56,912
<b>f) The amounts recognized in the balance sheet</b>				
Present value of obligations as at the end of year	19,697,107	11,890,137	17,922,541	1,10,49,981
Fair value of plan assets as at the end of the year	20,620,881	-	17,602,810	-
Funded status	(923,774)	(11,890,137)	(319,731)	(11,049,981)
Net (Asset)/liability recognized in balance sheet	(923,774)	11,890,137	(319,731)	11,049,981
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>				
Current Service Cost	2,161,616	1,003,776	1,986,395	10,67,727
Interest cost	1,397,958	861,899	1,269,988	8,47,460
Expected return on plan assets	(1,408,225)	-	(1,360,219)	-
Net Actuarial (gain)/Loss recognized in the year	(1,966,935)	(426,375)	(1,536,829)	8,56,912
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Expenses recognized in statement of Profit & Loss	184,414	1,439,300	359,335	2,772,099

**25 Finance Costs**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Interest Expense				
- Interest on Loans	721,513,529		582,886,060	
- Interest On Income Tax	40,711	721,554,240	27,250	582,913,310
Other Borrowing Costs		16,329,290		27,188,368
<b>Total</b>		<b>737,883,530</b>		<b>610,101,678</b>

25.1 Interest on borrowings from banks has been provided based upon information available from banks and as per best estimates by management.

**26 Depreciation and Amortisation Expenses**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Fixed Assets				
- Tangible Assets	84,962,593		92,255,987	
- Intangible Assets	872,426	85,835,019	714,002	92,969,989
		85,835,019		92,969,989

**27 Other Expenses**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Stores , Spares & Consumables		23,407,975		22,772,113
Excise Duty (Refer Note 27.1)		(6,257,902)		(33,486,854)
Packing Expenses		90,134,990		120,180,152
Power, Fuel and Lighting		90,630,706		85,963,310
Rent		22,568,522		22,247,992
Repair & Maintenance				
- Plant & Machinery	13,543,709		10,992,656	
- Building	1,806,266		2,159,979	
- Others	3,795,918	19,145,893	2,956,574	16,109,209
Insurance (Refer Note 27.2)		6,767,560		6,735,164
Rates and Taxes [Includes Wealth Tax ₹Nil (Previous Year ₹17,753/-)]		1,413,660		2,272,280
Auditor's Remuneration (Refer Note 27.3)		2,023,680		1,698,120
Conversion Charges		3,575,975		4,902,130
Labour Charges		75,568,068		79,872,398
Rebates,Discount,Commission on Sales		18,583,520		17,200,195
Freight, Octroi & cartage [Net of recovery ₹51,721,382/- (Previous Year ₹84,021,084/-)]		29,549,645		8,847,613
Bad Debts written off/provided		28,350,194		17,081,383
Travelling and Conveyance		31,117,681		25,848,878
Amortisation of FCMITDA (Net)		32,718,270		25,681,183
Exchange Fluctuation (Net)		29,772,964		18,147,002

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Advertisement & Publicity	1,622,436	562,142
Communication Expenses	4,966,909	5,140,619
Loss on sale/disposal of Fixed Assets (Net)	-	132,513
Donations	869,000	2,052,600
Directors Meeting Fee	850,000	554,000
Miscellaneous Expenses	58,330,828	51,129,938
<b>Total</b>	<b>565,710,574</b>	<b>501,644,080</b>

27.1 Amount of Excise Duty deducted from the turnover is for sales made during the year and the amount recognized separately in the statement of Profit & Loss is related to the difference between the closing stock and opening stock.

27.2 Insurance Premium of ₹3,818,207/-(Previous Year ₹3,823,586/-) on Keyman Insurance Policy has been charged to Profit & Loss. Maturity value of such policies will be accounted for on receipt basis.

**27.3 Auditor's Remuneration\*:**

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Audit Fees	1,500,000	1,260,000
Tax Audit fees	150,000	150,000
Taxation Matters	133,500	133,500
Certification	202,500	115,000
Out of Pocket Expenses	37,680	39,620
	<b>2,023,680</b>	<b>1,698,120</b>

\*Excludes Service Tax.

**27.4 Value of Imports on CIF basis**

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
- Raw Materials purchases	354,804,550	569,384,785
- Stores, Spares & Consumables	2,601,910	4,510,278

**27.5 Expenditure in Foreign Currency (on Accrual Basis)**

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>Finance Cost</b>		
- Interest on Loan	25,132,024	24,342,077
<b>Other Expenses</b>		
- Travelling & Conveyance	4,568,208	2,267,412
- Miscellaneous Expenses	4,082,169	3,845,486
- Annual Maintenance Fee to Exchange	184,925	-

**27.6 Value of Imported and Indigenous materials consumed**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Percentage	Amount	Percentage	Amount
<b>Materials</b>				
- Indigenous	86.75	2,323,604,234	83.93	2,973,972,906
- Imported	13.25	354,804,550	16.07	569,384,785
<b>Total</b>	<b>100.00</b>	<b>2,678,408,784</b>	<b>100</b>	<b>3,543,357,691</b>
<b>Stores, Spares &amp; Consumables</b>				
- Indigenous	88.88	20,806,065	80.19	18,261,835
- Imported	11.12	2,601,910	19.81	4,510,278
<b>Total</b>	<b>100.00</b>	<b>23,407,975</b>	<b>100</b>	<b>22,772,113</b>
<b>Packing Materials</b>				
- Indigenous	100.00	90,134,990	100	120,180,152
- Imported	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>90,134,990</b>	<b>100</b>	<b>120,180,152</b>
<b>Traded Goods</b>				
- Indigenous	-	-	100	36,468,713
- Imported	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>36,468,713</b>

**27.7 Earnings in Foreign Exchange (on Accrual Basis)**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
- Exports (on FOB Prices)	1,209,843	155,161,769

**28 Exceptional Items**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Write back of Provision for doubtful debts recoverable from AEI power Cables Limited (Subsidiary)	15,490,408	-
Provision for advances recoverable from subsidiary Company	(229,107)	(1,006,915)
	<b>15,261,301</b>	<b>(1,006,915)</b>

**29 Earnings Per Equity Share pursuant to Accounting Standard- 20 ("AS-20")**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Net Profit /(Loss) after Taxation	(1,222,901,933)	(1,031,384,218)
Number of Equity Shares at the beginning of the year	125,233,465	125,233,465
Weighted average number of Equity shares for Basic EPS	125,233,465	125,233,465
Weighted average number of equity shares for Diluted EPS	125,233,465	125,233,465
Basic Earnings per Share (₹)	(9.76)	(8.24)
Diluted Earnings per Share (₹)	(9.76)	(8.24)
Face Value of each Equity Share (₹)	2/-	2/-

30 “**Related party disclosures**”, for the year ended 31<sup>st</sup> March, 2016, as required by Accounting Standard-18 (“AS-18”) are given below:

**Relationships:**

**i) Subsidiaries of the Company:**

Paramount Holdings Limited, Cyprus  
“06196375 Cables Limited” (formerly AEI Cables Limited), United Kingdom (in Administration/Liquidation)  
AEI Power Cables Limited, United Kingdom

**ii) Associate of the Company:**

Paramount Wires & Cables Limited (upto 26<sup>th</sup> May, 2014)

**iii) Other related parties in the Group where common control exists:**

Sanjay Aggarwal (HUF)  
Sandeep Aggarwal (HUF)  
S.S. Aggarwal (HUF)  
April Investment & Finance Private Limited  
Worth Finance & Leasing Private Limited  
Paramount Telecables Limited  
S.S. Aggarwal Foundation

**iv) Key Managerial Personnel:**

Shri Sanjay Aggarwal, Chairman and CEO  
Shri Sandeep Aggrawal, Managing Director  
Shri Shambhu Kumar Agarwal, Chief Financial Officer (w.e.f 1<sup>st</sup> October, 2014)  
Ms Tannu Sharma, Company Secretary (w.e.f 1<sup>st</sup> October, 2014)

**v) Relatives of Key Managerial Personnel with whom transaction have taken place:**

Ms Parul Aggarwal

**vi) Enterprises over which relatives of Key Managerial Personnel have significant influence and with whom transactions have taken place:**

Paramount Wires & Cables Limited (w.e.f 27<sup>th</sup> May, 2014)  
Surya Laboratories Private Limited (w.e.f 1<sup>st</sup> April, 2014)

**a. Details relating to parties referred to in items (i), (ii), (iii), (iv), (v) and (vi) above:**

**Figures in**

Particulars	Year	(i)	(ii)	(iii)	(iv)	(v)	(vi)
Maximum outstanding of advance given during the year	2015-16 2014-15	7,380,392 7,380,545	- -	- -	- -	- -	- -
Advance given balance outstanding as at year end	2015-16 2014-15	7,380,392 7,380,392	- -	- -	- -	- -	- -
Maximum outstanding of sundry debtors during the year	2015-16 2014-15	66,021,719 88,348,502	- -	- -	- -	- -	266,314,538 244,363,659
Sundry debtors outstanding as at year end	2015-16 2014-15	55,001,966 66,021,719	- -	- -	- -	- -	110,447,039 126,634,061
Maximum outstanding of security deposits given for premises taken on rent	2015-16 2014-15	- -	- -	18,000,000 18,000,000	- -	- -	- -
outstanding of security deposit given for premises taken on rent as at year end	2015-16 2014-15	- -	- -	18,000,000 18,000,000	- -	- -	- -
Maximum outstanding balance of amount payable during the year	2015-16 2014-15	- -	- -	- -	- -	- -	130,089,462 115,909,118
Expense payable during the year	2015-16 2014-15	- -	- -	- 216,000	- -	- -	- -
Rent Paid for use of assets	2015-16 2014-15	- -	- -	20,923,886 20,906,664	- -	- -	- -
Managerial Remuneration	2015-16 2014-15	- -	- -	- -	9,200,660 3,114,081	- -	- -
Salaries and other Benefits	2015-16 2014-15	- -	- -	- -	2,387,121 1,002,384	- 530,880	- -
Purchases of shares	2015-16 2014-15	- 76	- -	- -	- -	- -	- -
sales	2015-16 2014-15	- -	- 87,319,948	- -	- -	- -	301,851,069 558,838,923
Purchases of Raw Materials	2015-16 2014-15	- -	- -	- -	- -	- -	6,760,004 126,571,188
Donations	2015-16 2014-15	- -	- -	- 1,350,000	- -	- -	- -

**b. Non-Financial Transactions:**

- Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings and also have pledged their share holding in the company with banks.
- Guarantee of ₹10,000,000/- (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2016 ₹Nil (Previous year ₹867,329/-).
- Paramount Telecables Limited has given its property as collateral by way of 2<sup>nd</sup> charge to the banks of the company.
- The remuneration does not include Gratuity and Provision for Leave Encashment under Accounting Standard -15 (Revised) and personal accident insurance premium ,since same is not available for individual employees.

### 31 Operating Leases:

The Company has entered into lease transactions during the current financial year mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 10 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 ₹22,568,522/- (Previous year ₹22,447,992/-) for the leases, which commenced on or after April 1, 2001. Minimum lease payments under non-cancellable operating leases are:

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>Minimum Lease Payments</b>		
— Not later than one year	<b>20,666,664</b>	20,666,664
— Later than one year but not later than five years	<b>55,833,326</b>	76,499,990
— Later than five years	-	-

32 In opinion of the management Company's business activity mainly falls within a single primary business segment "Cables", the disclosures requirements of Accounting Standard-17 ("AS-17") "Segment Reporting" are not applicable.

### 33 (i) Unhedged amount payable in foreign currency:

Particulars	As At 31 <sup>st</sup> March, 2016			As At 31 <sup>st</sup> March, 2015		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Payables	<b>25,547,270</b>	<b>383,535</b>	<b>USD</b>	19,531,255	311,205	USD
	-	-	<b>EURO</b>	57,975	849	EURO
Payables	<b>72,968,096</b>	<b>1,095,453</b>	<b>USD</b>	47,836,073	762,206	USD
FCCBs	<b>727,123,097</b>	<b>10,916,125</b>	<b>USD</b>	685,096,015	10,916,125	USD
Foreign Currency Term Loans	<b>332,755,575</b>	<b>4,995,580</b>	<b>USD</b>	313,522,593	4,995,580	USD

### 33 (ii) Unhedged amount receivable in foreign currency:

Particulars	As At 31 <sup>st</sup> March, 2016			As At 31 <sup>st</sup> March, 2015		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Receivables	<b>55,001,966</b>	<b>547,937</b>	<b>GBP</b>	68,072,570	680,071	GBP
	<b>6,129,196</b>	<b>92,937</b>	<b>USD</b>	54,646,754	879,413	USD
Receivables	<b>7,729,276</b>	<b>108,131</b>	<b>EURO</b>	7,151,285	103,479	EURO
	-	-	<b>GBP</b>	3,597,191	37,046	GBP
	<b>584,164</b>	<b>8,404</b>	<b>USD</b>	1,828,276	28,939	USD

**34 Contingent Liabilities & Commitments**

(to the extent not provided for)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>34.1</b> Claims Against the Company not acknowledged as Debt		<b>9,201,854</b>		8,970,854
<b>34.2 Guarantees</b>				
i. Financial Bank Guarantees outstanding		<b>35,530,200</b>		15,255,296
ii. Guarantee of ₹10,000,000/- (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Ltd				
- Credit Facilities availed by Paramount Wires & Cables Ltd.		-		867,329
<b>34.3 Duties &amp; Taxes</b>				
i. Income Tax				
- Demands under appeal	<b>44,298,650</b>		44,298,650	
- Matter which have been decided in favour of the Company in first appeal stage, however, Income tax department has filed appeal against orders of first appellate authority.	-	<b>44,298,650</b>	27,008,740	71,307,390
ii. Excise demands under appeal		<b>222,102,658</b>		87,307,710
iii. Service tax demands under appeal		<b>31,587,069</b>		22,108,874
iv. Custom duty demand due to denial of concessional custom duty, under appeal		<b>6,434,896</b>		6,434,896
<b>34.4 Other money for which company is contingently liable</b>				
i. Unutilised Letter of Credits		<b>6,839,600</b>		33,400,477
ii. Outstanding Bill discounted		<b>179,941,540</b>		94,312,312
iii. Right of recompense of CDR lenders for reliefs/sacrifices/waivers extended by respective CDR lenders to the company.		Amount unascertainable		Amount unascertainable
iv. Letter of demand from a bank due to guarantee given for borrowings of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (Subsidiary). In opinion of the company the amount of demand is yet to be finalised and agreed by the company. (This is co guaranteed by the Chairman & CEO and Managing Director of the Company in their individual capacity due to which company expects no final liability will arise on the company).	(₹)	<b>33,280,722</b>		33,733,615
		<b>345,846</b>		345,846
<b>34.5 Commitments</b>				
i. Estimated amount of contracts (net of advances) remaining to be executed on Capital Account.		-		2,067,000

35. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23rd November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a Premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹253,676,808/- (Gross of tax). A winding up petition was filed against the Company on behalf of the FCCB holders which has been dismissed by the court during the year.
36. **Going Concern :**  
 The company has recorded a net loss of ₹1,222,901,933/- for the year and has accumulated losses of ₹4,387,582,046/- as at 31<sup>st</sup> March, 2016, resulting in negative net worth. The company has also defaulted in payments of interest and redemption amount of Foreign Currency Convertible Bonds (FCCBs) and interest and term loans installments to banks and other working capital facilities from banks. The management is confident that the company will be able to generate profits in future years and meet its financial obligations as may arise .The Management is also exploring inducting financial investor/s in the company and/or joint venture with foreign companies. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:
- The company has not defaulted in payment of statutory dues or its trade creditors etc.
  - CDR package was approved during financial year 2010-11 and further “Rework Package” has been approved by CDR-EG vide Letter of Approval (LOA) dated 11<sup>th</sup> July, 2012. The Company has again proposed banks to reschedule term loans repayments.
  - The Company and promoters have undertaken to raise and had raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies .The Management is also exploring inducting financial investor in the company and/or joint venture with foreign companies.
  - The Company has strong order book position.
37. Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under section 15 (1) of Sick Industrial Companies (Special Provisional Act, 1985 vide order dated 31.10.2013, BIFR has restrained company from disposing of or alienating in any manner any fixed assets of the Company without consent of BIFR.
38. Name of AEI Cables Limited, United Kingdom was changed to “06196375 Cables Limited” w.e.f. 28<sup>th</sup> February, 2014. This Company is “in Administration/Liquidation” (as per UK laws).
39. Previous Year’s figures have been regrouped / rearranged wherever necessary.

**For JAGDISH CHAND & CO.**  
 Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
 Director  
 DIN No. 00287845

**(J.C. Gupta)**  
 Partner  
 Membership No. 6107

**(S K Agarwal)**  
 Chief Financial Officer  
 Membership No. 053595

**(Tannu Sharma)**  
 Company Secretary  
 Membership No. ACS 30622

**Place of signing : New Delhi**  
**Date: 27<sup>th</sup> May, 2016**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2016**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of PARAMOUNT COMMUNICATIONS LIMITED

1. 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" (Refer Note 1) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then 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").

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 9(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. 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, 2016, and its consolidated loss and its consolidated cash flows for the year ended on that date.

## Emphasis of Matter

8. We draw attention to
- The accompanying financial statements have been prepared on a going concern basis despite negative net worth, overdue in repayment of loan installments, interest to banks, working capital facilities from banks, overdue in redemption of Foreign Currency Convertible Bonds (FCCBs). The appropriateness of the said basis is inter-alia dependent on Company's ability to generate profit in future years and meet its financial obligations and also dependent on induction of financial investors in the company and/or joint venture with foreign companies. (Refer Note 36)
  - Wherever, interest on borrowings has not been applied by banks, interest on those borrowings has been provided as per best estimates of the management. (Refer Note 25.1)
  - "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014 and at present under winding up. Hence, consolidated financial statements do not include financial position, financial performance and cash flows of this subsidiary. (Refer Note 1.5)
  - In case of Paramount Holdings Limited, Cyprus (Subsidiary Company), it is the intention of the Management to liquidate the Company as soon as arrangements can be made. (Refer Note 1.7)
  - In case of AEI Power Cables Limited, United Kingdom (Subsidiary Company), the company has ceased to trade and since the year end, it is the intention of Management to strike off the Company in due course and the financial statements have therefore been prepared on break-up basis. (Refer Note 1.6)
  - During the year a bank has assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitisation and Asset Reconstruction Company (Refer Note 9.3)

Our opinion is not modified in respect of these matters.

## Other Matters

9. (a) The consolidated financial statements also include the Group's share of net profit of ₹413,138/- for the year ended 31<sup>st</sup> March, 2016 as considered in the consolidated financial statements, in respect of a Subsidiary Company whose financial statements/ financial information 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 this subsidiary 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 subsidiary, 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.
- (b) The financial statements of one subsidiary included in the consolidated financial statements, which constitute total assets of ₹1,606,210/- and net assets of ₹925075/- as at 31<sup>st</sup> March, 2016, total revenue of ₹62,016,289/- and net profit of ₹61,239,372/- for the year then ended have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports 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 subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the others auditors.

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

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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.
  - 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, and the Consolidated Cash Flow Statement 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, 2014.
- e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2016 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. *The going concern matter described in sub-paragraph 8 (a) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- h. 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 34.1 & 34.3 of the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2016
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March, 2016

For **JAGDISH CHAND & CO.**  
Firm Registration Number: 000129N  
Chartered Accountants

**(J.C. Gupta)**  
Partner

Membership Number: 06107

Place of signature : New Delhi  
Date : 27<sup>th</sup> May, 2016

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10 (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, 2016

### **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, 2016 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, 2016, 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 **JAGDISH CHAND & CO.**  
Firm Registration Number: 000129N  
Chartered Accountants

**(J.C. Gupta)**  
Partner

Membership Number: 06107

Place of signature : New Delhi  
Date : 27<sup>th</sup> May, 2016

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

Figures in ₹

	Note	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
<b>EQUITY AND LIABILITIES</b>					
Shareholder's funds					
Share Capital	2	326,966,930		326,966,930	
Reserves and surplus	3	(3,680,468,379)	(3,353,501,449)	(2,458,651,363)	(2,131,684,433)
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	886,714,339		1,160,339,581	
Deferred Tax Liability (Net)	5	-		-	
Long Term Provisions	6	21,200,954	907,915,293	17,058,015	1,177,397,596
<b>Current Liabilities</b>					
Short Term Borrowings	7	1,798,329,167		2,147,401,707	
Trade Payables	8				
- Micro, Small and Medium Enterprises		-		-	
- Others		510,972,597		330,032,682	
Other Current Liabilities	9	3,210,722,257		2,024,981,302	
Short Term Provisions	10	2,185,143	5,522,209,164	2,000,410	4,504,416,101
<b>TOTAL</b>			<b>3,076,623,008</b>		<b>3,550,129,264</b>
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Fixed Assets	11				
- Tangible assets	11.1	745,644,891		807,991,888	
- Intangible assets	11.2	2,579,580	748,224,471	1,703,897	809,695,785
Non- Current Investments	12		168,001		168,001
Long Term Loans and Advances	13		30,654,582		30,202,858
<b>Current Assets</b>					
Inventories	14	538,798,171		757,852,276	
Trade Receivables	15	1,282,732,037		1,575,030,228	
Cash and Bank Balances	16	280,370,001		176,570,593	
Short Term Loans and Advances	17	178,423,756		186,560,956	
Other Current Assets	18	17,251,989	2,297,575,954	14,048,567	2,710,062,620
<b>TOTAL</b>			<b>3,076,623,008</b>		<b>3,550,129,264</b>

Significant Accounting Policies and Notes on Financial Statements 1 to 41

As per our separate report of even date attached  
**For JAGDISH CHAND & CO.**  
 Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
 Director  
 DIN No. 00287845

**(J.C. Gupta)**  
 Partner  
 Membership No. 6107  
**Place of signing : New Delhi**  
**Date: 27<sup>th</sup> May, 2016**

**(S K Aggarwal)**  
 Chief Financial Officer  
 Membership No. 053595  
**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2016**

**(Tannu Sharma)**  
 Company Secretary  
 Membership No. ACS 30622

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Figures in ₹

	Note	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Revenue from Operations (Gross)	19	3,439,150,061		4,974,472,587	
Less: Excise Duty		345,481,070	3,093,668,991	448,721,824	4,525,750,763
Other Income	20		24,355,935		20,863,435
<b>Total Revenue</b>			<b>3,118,024,926</b>		<b>4,546,614,198</b>
<b>Expenses:</b>					
Cost of Materials Consumed	21		2,678,408,784		3,543,357,691
Purchases of Stock in Trade	22		-		36,468,713
(Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-Trade	23		156,890,015		674,847,458
Employee Benefits Expense	24		131,271,744		115,321,841
Finance Costs	25		737,907,159		610,174,892
Depreciation and Amortization Expense	26		85,835,019		92,969,989
Other Expenses	27		566,475,315		504,876,311
<b>Total Expenses</b>			<b>4,356,788,036</b>		<b>5,578,016,895</b>
Profit/(Loss) Before exceptional items and tax			(1,238,763,110)		(1,031,402,697)
Exceptional items	28		-		21,802,421
Profit/(Loss) Before Tax			(1,238,763,110)		(1,009,600,276)
Tax Expense					
- Current tax			-		-
- Deferred tax			-		-
Short/(Excess) Provision-Earlier Years					
- Current Tax			-		-
Profit / (loss) for the Year			(1,238,763,110)		(1,009,600,276)
Earnings per Equity Share:	29				
Equity Share of Face Value of ₹2/- each					
- Basic (₹)			(9.89)		(8.06)
- Diluted (₹)			(9.89)		(8.06)

Significant Accounting Policies and Notes on Financial Statements 1 to 41

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**  
Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
Director  
DIN No. 00287845

**(J.C. Gupta)**  
Partner  
Membership No. 6107

**(S K Agarwal)**  
Chief Financial Officer  
Membership No. 053595

**(Tannu Sharma)**  
Company Secretary  
Membership No. ACS 30622

Place of signing : New Delhi  
Date: 27<sup>th</sup> May, 2016

Place : New Delhi  
Date : 27<sup>th</sup> May, 2016

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(loss) before taxation and exceptional items & after share of profit/(loss) of Associates	<b>(1,238,763,110)</b>	(1,031,402,697)
	<b>Adjustment for:</b>		
	Depreciation (Net)	<b>85,835,019</b>	92,969,989
	Financial Costs	<b>737,907,159</b>	610,174,892
	Loss /(profit) on sale/disposal of fixed assets	<b>(198,154)</b>	132,513
	Amortisation of FCMITDA	<b>32,718,270</b>	25,681,183
	Exchange loss on FCCBs	<b>15,015,000</b>	9,633,000
	Provision for leave encashment/ Gratuity	<b>520,425</b>	638,833
	Exchange Fluctuation Reserve	<b>7,285,806</b>	(6,693,815)
	Operating profit before working capital changes	<b>(359,679,585)</b>	(298,866,102)
	<b>Adjustment for:</b>		
	Trade Receivables, Loans and Advances and Other Assets	<b>307,601,154</b>	(246,755,793)
	Inventories	<b>219,054,106</b>	738,215,323
	Trade Payables, Other Liabilities and Provisions	<b>725,961,203</b>	(71,513,372)
	<b>Cash generated from operations</b>	<b>892,936,879</b>	121,080,056
	Direct tax paid/ Refund	<b>(10,838,663)</b>	(1,377,693)
	<b>Cash flow before exceptional items</b>	<b>882,098,216</b>	119,702,363
	Exceptional items	-	21,802,421
	<b>Net cash from operating activities</b>	<b>882,098,216</b>	141,504,784
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets and other capital expenditure	<b>(10,563,556)</b>	(27,088,616)
	Sale of fixed assets	<b>258,000</b>	-
	(Increase)/decrease of Investments (net)	-	3,777,580
	<b>Net cash used in investing activities</b>	<b>(10,305,556)</b>	(23,311,036)

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Net of repayments)	<b>(178,716,651)</b>	(128,059,209)
	Working capital facilities from Bank	<b>(349,072,540)</b>	669,408,301
	Hire purchase finance (Net of repayments)	<b>497,703,098</b>	(255,199)
	Financial Costs	<b>(737,907,159)</b>	(610,174,893)
	<b>Net cash received/(used) from financial activities</b>	<b>(767,993,252)</b>	(69,081,000)
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>103,799,408</b>	49,112,748
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2015 (Opening Balance)	<b>176,570,593</b>	127,457,845
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2016 (Closing Balance)	<b>280,370,001</b>	176,570,593
1.	<b>Note:</b> <b>Cash and cash equivalents includes:</b>		
	Cash and bank balances	<b>11,082,091</b>	9,612,951
	Fixed Deposits under lien/ custody with banks/sales tax department	<b>269,287,910</b>	166,490,346
	Unclaimed Dividend Accounts	-	467,296
	<b>Total cash and cash equivalents as per balance sheet</b>	<b>280,370,001</b>	176,570,593
2.	Figures in brackets represent cash outflow		

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**  
Firm Registration Number : 000129N  
**Chartered Accountants**

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

**(Satya Pal)**  
Director  
DIN No. 00287845

**(J.C. Gupta)**  
Partner  
Membership No. 6107

**(S K Agarwal)**  
Chief Financial Officer  
Membership No. 053595

**(Tannu Sharma)**  
Company Secretary  
Membership No. ACS 30622

**Place of signing : New Delhi**  
**Date: 27<sup>th</sup> May, 2016**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May, 2016**

## 1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

### 1.1 Principles of Consolidation

The consolidated financial statements relate to Paramount Communications Limited (Company) and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealised profits or losses in accordance with Accounting Standard (AS-21) on "Consolidated financial Statements".
- b. 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.
- c. 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.

### 1.2 The Consolidated Financial Statements include the results of the following entities:

S. No.	Name of Company	Country of incorporation	Relationship	Ownership Interest
a.	Paramount Holdings Limited (PHL)	Cyprus	Subsidiary	100.00%
b.	AEI Power Cables Limited (APCL)	United Kingdom	Subsidiary	100.00%

1.3 Paramount Wires & Cables Ltd (PWCL) was "Associate" till 26<sup>th</sup> May, 2014

1.4 Financial statements of Paramount Holdings Limited, Cyprus are drawn in Euro and AEI Power Cables Limited, United Kingdom are drawn in Sterling Pound.

1.5 "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. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31<sup>st</sup> March, 2014. Now this company is under creditors' voluntary liquidation.

1.6 AEI Power Cables Limited, United Kingdom has ceased to trade and since the year end it is intention of the Management to strike off the company in due course as per applicable Laws. The Financial statements of APCL have therefore been prepared on break-up basis.

1.7 The board of directors of Paramount Holdings Limited, Cyprus are taking steps to liquidate Paramount holdings Limited. The Financial Statements of PHL are unaudited and in opinion of the management, these financial statements / financial informations are not material to the group.

### 1.8 Other Significant Accounting Policies

#### a. Basis of Accounting

- i. The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated.

#### b. Fixed Assets, intangible assets and capital work-in-progress

- i. Construction period expenses directly attributable to projects are capitalised. Financing cost during the construction period on loans raised for/allocated to qualifying projects is capitalised. Financing cost incurred on general borrowings used for projects is capitalised. The amount of such borrowing is determined after setting off the amount of internal accruals.
- ii. Fixed Assets are stated at cost including allocated costs or valuation less accumulated depreciation.
- iii. The cost of any software purchased initially along with the computer hardware is being capitalised along with the cost of the hardware. Any subsequent acquisition/up gradation of software is being capitalised as an asset.

**c. Depreciation and Amortisation**

- i. The cost of capitalised software is amortised over a period of five years from the date of its acquisition.
- ii. Depreciation on Fixed Assets is calculated on Straight line method in accordance with the provisions of Schedule II of the Companies Act, 2013 keeping 5% of cost as residual value. The useful life of fixed assets as defined in the Part C of Schedule II of the Companies Act, 2013 has been taken for all tangible assets other than plant & machineries, which useful life is estimated 20 years based on internal assessment by the management and independent technical evaluation carried out by external valuers. Addition/deletion in the cost of the fixed assets due to exchange fluctuation in long term foreign currency monetary items arising due to difference in exchange rate vis a vis initial recording and reporting date are depreciated over the balance life of the assets.
- iii. No write off is being made in respect of leasehold land, as the lease is a long lease.
- iv. Fixed Assets costing upto ₹5,000/- each are fully depreciated in the year of its acquisition

**d. Investments**

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such decline is other than temporary in the opinion of the management. Current investments are stated at lower of cost or market value.

**e. Inventories**

- i. Inventories are valued as follows :
  - Finished Goods are valued at lower of cost or net realisable value.
  - Raw materials are valued at lower of cost or net realisable value.
  - Work-in-Progress is valued at lower of cost or net realisable value.
  - Packing materials, Stores & Spares are valued at cost.
  - Scrap is valued at estimated realisable value.
- ii. Cost of Raw Material is determined on weighted average basis. Cost of Packing Materials and Stores & Spares is determined on weighted average basis .Work-in-Progress includes raw material costs and allocated production overheads on estimated basis. Cost of Finished Goods is determined by taking derived material costs and other overheads.

**f. Foreign Currency Transactions**

- i. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.
- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
  - In so far as they relate to the acquisition of a depreciable capital assets are adjusted in the cost of assets.
  - In other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA)' and are amortised over period of foreign currency monetary item or up to 31<sup>st</sup> March, 2020, whichever is earlier.
- iv. Non monetary foreign currency items are carried at cost.

**g. Revenue Recognition**

- i. Sales are accounted for on dispatch of goods from the factory to the customers. Sales are net of returns and include excise duty wherever directly chargeable from customers, but exclude sales tax/VAT.
- ii. Other items of revenue are recognised in accordance with the Accounting Standard on 'Revenue Recognition' (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/ realisation of income, the same is not accounted for.

**h. Excise Duty**

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in factory premises. CENVAT credit is accounted on accrual basis on purchases of materials and capital goods.

**i. Employees Benefits**

- i. Liability in respect of Gratuity, a defined benefit plan, is being paid to a fund maintained by SBI life insurance company Limited under Group Gratuity Scheme. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to Profit & Loss Account.
- ii. Liability in respect of employees who are entitled to leave compensatory & encashment, a terminal employee benefit, being defined benefit plan, is recognized on the basis of actuarial valuation.
- iii. Contributions with respect to Provident Fund, is recognized as an expense in the profit and loss account of the year in which the related service is rendered.

**j. Reserves**

- i. The difference between depreciation on the revalued value of the asset and depreciation on their historical cost is transferred from Revaluation Reserve to General Reserve.
- ii. Project subsidy from State Government is credited to Capital Reserve.

**k. Preliminary Expenses**

Public Issue expenditure and premium on redemption of FCCBs / Preference Shares are being written off against securities premium.

**l. Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**m. Impairment of Fixed Assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

## 2 Share Capital

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	Amount	Nos.	Amount
<b>Authorised:</b>				
250,000,000 (Previous Year 250,000,000) Equity Shares of ₹2/- each		500,000,000		500,000,000
1,000,000 (Previous Year 1,000,000) Redeemable Preference Shares of ₹100/- each		100,000,000		100,000,000
		600,000,000		600,000,000
<b>Issued, Subscribed &amp; Paid up</b>				
125,233,465 (Previous Year 125,233,465) Equity Shares of ₹2/- each fully paid		250,466,930		250,466,930
765,000 (Previous Year 765,000) 0% Non-Convertible Redeemable Preference Shares (NCRPS) of ₹100/- each		76,500,000		76,500,000
<b>Total</b>		<b>326,966,930</b>		<b>326,966,930</b>

### 2.1 Rights, preferences and restrictions attached to Equity Shares

**Equity Shares :** The company has one class of equity shares having a face value of ₹2 /- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

### **Rights, preferences and restrictions attached to 0% Non-Convertible Redeemable Preference Shares (NCRPS)**

**Rate of Dividend:** 0% rate of dividend. NCRPS are not convertible in equity shares. Redeemable on day and date falling next to date of expiry of a period of 10 years calculated from the date of allotment of these shares. Option of an earlier redemption after expiry of period of 6 months shall be open to Board and can be made by a Board resolution to this effect passed in a duly convened meeting and when consented by the NCRPS shareholders, where the premium payable on redemption shall be adjusted proportionately. **Redemption Value & Premium:** The redemption premium shall be @ 50% of par value and thereby the redemption value shall be 150% of face value after 10 (Ten) years term. There is no right to vote in general. The voting rights shall be restricted to the matters concerning their interest only. **Right to share of Assets:** In the event of winding up of the Company, the NCRPS shareholders shall be entitled to share of assets of the Company in proportion of the preference share capital to aggregate of total paid up capital after settlement of all the liabilities of the Company. The NCRPS shareholders shall have a preferential right on the assets of Company over the Equity shareholders while distribution of assets among shareholders in the event of winding up of Company.

### 2.2 Reconciliation of Number of Equity Shares

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	125,233,465	250,466,930	125,233,465	250,466,930
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	125,233,465	250,466,930	125,233,465	250,466,930

### Reconciliation of Number of Preference Shares

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	765,000	76,500,000	765,000	76,500,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	765,000	76,500,000	765,000	76,500,000

**2.3 List of Shareholders holding more than 5% of the aggregate Shares:**
**Figures in ₹**

Name of Shareholder	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Nos.	%age	Nos.	%age
<b>Equity Shareholders</b>				
M/s Paramount Telecables Limited	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	10.41	13,040,172	10.41
<b>Preference Shareholder</b>				
M/s Paramount Telecables Limited	765,000	100.00	765,000	100.00

**3 Reserves & Surplus**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Capital Reserve</b>				
- Capital Investment Subsidy				
Balance at the beginning of the year	3,000,000		3,000,000	
- Profit on Issue of forfeited shares				
Balance at the beginning of the year	31,100	3,031,100	31,100	3,031,100
Exchange Fluctuation Reserve		(29,264,550)		(36,550,356)
<b>Securities Premium Account</b>				
Balance at the beginning of the year	682,104,437		685,929,437	
Less : Provision for Premium on redemption of Preference Shares (Refer Note 3.1)	3,825,000	678,279,437	3,825,000	682,104,437
<b>Revaluation Reserve</b>				
Balance at the beginning of the year	8,898,628		8,958,739	
Less : Transfer to Profit & Loss Statement	-		-	
Less : Transfer to General Reserve	60,275	8,838,353	60,111	8,898,628
<b>General Reserve</b>				
Balance at the beginning of the year	25,342,997		25,282,886	
Add : Transfer from Revaluation Reserve (Refer Note 3.4)	60,275	25,403,272	60,111	25,342,997
<b>Surplus</b>				
Balance at the beginning of the year	(3,118,629,314)		(2,098,928,251)	
Add : Adjustment due to depreciation on fixed Assets whose useful life already exhausted as on 1 <sup>st</sup> April, 2014 (Refer note 3.5)	-		(10,100,787)	
Add : Transfer from Profit & Loss Statement	(1,238,763,110)	(4,357,392,424)	(1,009,600,276)	(3,118,629,314)
<b>Foreign Currency Monetary Item Translation Difference Account (FCMITDA)</b>				
Balance at the beginning of the year	(22,848,855)		(36,190,956)	
Add : Additions during the year	(19,232,982)		(12,339,082)	
Less : Written off during the year (Refer Note 3.3)	32,718,270	(9,363,567)	25,681,183	(22,848,855)
<b>Total</b>		(3,680,468,379)		(2,458,651,363)

- 3.1 During the year Redemption Premium payable on prorata basis ₹3,825,000/- (Previous Year ₹3,825,000/-) on 0% Non-Convertible Redeemable Preference share (NCRPS) has been charged to Securities Premium Account.
- 3.2 In view of losses Capital Redemption Reserve required under Section 55 of the Companies Act, 2013 has not been created.
- 3.3 Are amortised over period of foreign currency monetary item or up to 31<sup>st</sup> March, 2020, whichever is earlier.
- 3.4 Amount of Depreciation pertaining to revaluation in case of Buildings has been transferred from Revaluation Reserve.
- 3.5 Written Down Value of Asstes whose useful life is alrady exhausted as on 1<sup>st</sup> April, 2014 ,amounting to ₹Nil/- (previous year ₹10,100,787/-) has been recognised in the opening balance of Profit & Loss Account (debit).

#### 4 Long Term Borrowings

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Secured</b>				
Term Loans:				
— From Banks				
— Foreign Currency Loan	43,889,739		134,366,826	
— Rupee Loans	805,461,850		988,610,006	
— From Financial Institution	37,362,750	886,714,339	37,362,750	1,160,339,581
<b>Total</b>		<b>886,714,339</b>		<b>1,160,339,581</b>

##### 4.1 Nature of Security :-

###### i Term Loan from Banks:-

Term loans from banks are secured by 1st pari-passu charge on present and future fixed assets of the company and 2nd pari-passu charge on present and future current assets of the Company. Further they are secured through collateral by way of 2nd charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/ Promoters Group Companies .

###### ii Term Loan from Financial Institution:-

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

##### 4.2. Period and Amount of Default in Repayment :-

- 4.2.1 Due to continuing losses and delays in monetization of an asset stipulated in Corporate Debt Restructuring, EG approved Rework Package, Company is in default as per details given below:

Figures in ₹

Nature of Payment	FY 2015-2016	FY 2014-2015	Period of default
Rupee Loans from banks	287,565,682	159,601,380	Since June,2013
Foreign Currency Loans	190,146,042	89,577,884	Since September,2014
Interest on Loans	538,997,630	287,613,509	Since October,2013

- 4.2.2 Rupee Loans from a bank are in default due to non repayment of recalled loan by a bank.

Nature of Payment	FY 2015-2016*	FY 2014-2015	Period of default
Rupee Loans from banks	155,650,327	42,850,323	Since November,2014
Interest on Loans	299,440,469	18,225,330	Since November,2014

\* At year end these loans have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the bank

**4.3 Maturity Profile and rate of interest of Secured Term Loans are as set out below :-**
**Figures in ₹**

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
11.5%	8,000,000	8,600,000	12,920,000	-
10%	-	-	-	37,362,750
10.5%	15,312,802	15,312,802	-	-
9%	73,200,159	181,734,430	272,627,666	-
5.2%	47,536,510	-	-	-
1%	35,389,445	35,389,445	35,389,445	-
0%	41,782,794	45,264,694	20,891,397	-
<b>Total</b>	<b>221,221,710</b>	<b>286,301,370</b>	<b>341,828,508</b>	<b>37,362,750</b>

4.4 This information is as per Corporate Debt Restructuring, EG approved Rework Package.

**5 Deferred Tax Liability (Net)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Deferred Tax Assets :</b>				
- Leave Encashment	<b>4,114,939</b>		3,824,178	
- Unabsorbed Depreciation	<b>97,616,070</b>	<b>101,731,009</b>	102,704,363	106,528,541
<b>Deferred Tax Liabilities :</b>				
- Depreciation		<b>101,731,009</b>		106,528,541
<b>Total</b>		<b>—</b>		<b>—</b>

5.1 As required by Accounting Standard-22 ('AS-22') in view of existence of Carried forward losses and unabsorbed depreciation under tax laws, Deferred Tax Assets have been recognised only to the extent they are virtually certain to be realised.

**6 Long Term Provisions**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>Employee Benefits (Refer Note 24.1)</b>		
— Leave Encashment	<b>9,704,994</b>	9,067,324
— Gratuity	-	319,731
Provision for Premium on Redemption of Preference Shares (Refer Note 2.1 & 3.1)	<b>11,495,960</b>	7,670,960
<b>Total</b>	<b>21,200,954</b>	17,058,015

**7 Short Term Borrowings**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>Secured</b>		
— Working Capital Loans from Banks	<b>1,798,329,167</b>	2,147,401,707
<b>Total</b>	<b>1,798,329,167</b>	2,147,401,707

### 7.1 Nature of Security :-

Working Capital facilities from Banks are secured by 1st Pari-Passu charge by way of hypothecation on the entire current assets including raw material, stocks in process, finished goods, consumable stores & spares and receivables of the Company, 1<sup>st</sup> Pari-Passu charge on company's property situated at Prahaldpur, Bawana Road, Delhi, 2nd Pari-Passu charge on other present and future fixed assets. Further they are secured through collateral by way of 2nd charge on a property owned by a Corporate, personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 100% equity shares of the company held by Promoters/ Promoters Group Companies.

### 7.2 Period and amount of default:

- Working Capital Loans from banks are overdrawn to the extent of ₹539,432,964/- (Previous Year ₹598,744,744/-) due to devolvement of Letter of Credits since January, 2014.
- Working Capital Loans from a bank are in default ₹Nil/- (Previous Year ₹281,665,199) due to non repayment of recalled loan by a bank since November, 2014.
- Interest on Working Capital Loans from banks are overdrawn to the extent of ₹549,716,008/- (Previous Year ₹246,705,450/-) due since October, 2013.
- The above information for the period and amount of default as at the year end is after considering loans/interest which have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the bank.

## 8. Trade Payables

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Micro, Small & Medium Enterprises		-		-
Others				
- Acceptances		294,956,554		234,600,771
- Others		216,016,043		95,431,911
<b>Total</b>		<b>510,972,597</b>		<b>330,032,682</b>

8.1 In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006 and the companies Act 2013, the outstanding, interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished.

## 9 Other Current Liabilities

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Current Maturities of Long-Term Debt				
Term Loans:				
- From Banks				
— Foreign Currency Loan	285,219,064		179,155,767	
— Rupee Loans	490,245,403	775,464,467	482,167,128	661,322,896
(Refer Note 4.1)				
- Payable to Securitisation and Assets Reconstruction Company		497,703,098		-
(Refer Note 4.1, 7.1 & 9.3)				
Interest accrued and due on borrowings		1,081,046,536		542,182,867
(Refer Note 4.1, 7.2 & 9.1)				
Interest accrued but not due on borrowings		879,714		109,659
Unpaid Dividends		-		467,296
(Refer Note 9.2)				

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Foreign Currency Convertible Bonds 'FCCBs' (Refer Note 9.1)		<b>727,123,097</b>		685,096,015
Interest accrued and due on FCCBs (Refer Note 9.1)		<b>29,837,012</b>		21,284,901
Interest accrued but not due on FCCBs		<b>1,837,665</b>		1,689,278
Employee Benefits Payable		<b>26,713,536</b>		13,173,096
Sundry Creditors -Capital Goods		<b>575,999</b>		1,875,303
Statutory Dues Payable		<b>30,304,037</b>		35,471,355
Advance from Customers		<b>11,912,900</b>		13,397,015
Other Payables		<b>27,324,196</b>		48,911,621
<b>Total</b>		<b>3,210,722,257</b>		2,024,981,302

**9.1 Period and Amount of Default in repayment and interest :-**

- i. Principal amount of ₹499,575,000/- of 1% Foreign Currency Convertible Bonds ('FCCBs') is overdue for repayment since 23<sup>rd</sup> November, 2011. Interest on FCCBs ₹29,837,012/- due up to 31<sup>st</sup> December, 2015 has also not been paid and is over due. Premium on redemption of FCCB's of ₹227,548,097/- is also over due for payment since 23<sup>rd</sup> November, 2011.
- ii. Refer Note 4.2 for default in repayment of Term Loans.

9.2 No amount is due as on 31<sup>st</sup> March, 2016 for credit to Investor Education and Protection Fund (Fund). Amount remaining due after adjustment of amounts to be claimed from the Company will be transferred on the respective due dates to the Fund.

9.3 During the year a bank has assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitisation and Asset Reconstruction Company. Accordingly all dues to that bank have been transferred and shown as due to Securitisation and Asset Reconstruction Company.

**10 Short Term Provisions**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Provision for Employee Benefits (Refer Note 24.1)</b>				
- Leave Encashment		<b>2,185,143</b>		1,982,657
<b>Others</b>				
- Provision for Wealth Tax		-		17,753
<b>Total</b>		<b>2,185,143</b>		2,000,410

## 11. FIXED ASSETS

### 11.1 Tangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Year	Transfer to General Reserve	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.3.2015
<b>Own Assets:</b>											
Land											
- Freehold	12,621,330	-	-	12,621,330	-	-	-	-	12,621,330	12,621,330	
- Leasehold	69,055,115	-	-	69,055,115	-	-	-	-	69,055,115	69,055,115	
Buildings	235,450,809	4,401,721	-	239,852,530	76,250,775	6,899,429	-	83,150,204	156,702,326	159,200,034	
Plant & Equipment	1,378,522,602	16,193,313	-	1,394,715,915	848,324,822	67,719,220	-	916,044,042	478,671,873	530,197,780	
Furniture & Fixtures	56,224,225	1,072,939	-	57,297,164	33,230,428	6,588,008	-	39,818,436	17,478,728	22,993,797	
Leasehold Building Improvement	11,340,968	-	11,340,968	5,125,701	1,459,227	-	6,584,928	4,756,040	6,215,267		
Vehicles	30,690,929	-	1,196,928	29,494,001	25,673,060	1,468,332	-	1,137,082	26,004,310	3,489,691	5,017,869
Office Equipment	14,987,428	1,007,469	-	15,994,897	12,296,732	828,377	-	13,125,109	2,869,788	2,690,696	
<b>Total</b>	<b>1,808,893,406</b>	<b>22,675,442</b>	<b>1,196,928</b>	<b>1,830,371,920</b>	<b>1,000,901,518</b>	<b>84,962,593</b>	<b>-</b>	<b>1,137,082</b>	<b>1,084,727,029</b>	<b>745,644,891</b>	<b>807,991,888</b>
Previous Year	1,774,334,362	35,173,956	614,912	1,808,893,406	899,027,147	92,255,987	10,100,787	482,403	1,000,901,518	807,991,888	875,307,215

### 11.2 Intangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the Period	Transfer to General Reserve	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.3.2015
<b>Own Assets (Acquired):</b>											
- Software	31,397,696	1,748,110	-	33,145,806	29,693,800	872,426	-	-	30,566,226	2,579,580	1,703,896
<b>Total</b>	<b>31,397,696</b>	<b>1,748,110</b>	<b>-</b>	<b>33,145,806</b>	<b>29,693,800</b>	<b>872,426</b>	<b>-</b>	<b>-</b>	<b>30,566,226</b>	<b>2,579,580</b>	<b>1,703,896</b>
Previous Year	30,591,036	806,660	-	31,397,696	28,979,797	714,002	-	-	29,693,799	1,703,897	1,611,239

- 11.3 Land includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation ₹7650950  
Building includes addition made due to revaluation as on 31st March, 1994 in erstwhile Paramount Cable Corporation ₹7406534  
Amount of Depreciation pertaining to revaluation in case of Buildings ₹60275
- 11.4 Title deeds of factory land at prahladpur, Bawana Road, Delhi measuring 2147.17 sq. mtrs. are in the name of erstwhile Paramount Cable Corporation.
- 11.5 Title deeds of a part of factory land measuring 961.55 sq. mtr. at prahladpur, Bawana Road, Delhi shown in Balance Sheet at ₹2,386,250 are yet to be registered in name of the Company.
- 11.6 Land (Freehold) of ₹7,886,689/- as of 31<sup>st</sup> March, 2016 situated at Prahaladpur, Delhi is under acquisition as per the Land Acquisition Act, 1894. The matter is being contested.
- 11.7 As per changes made in AS 11 vide Companies (Accounting Standards) Amendment Rules 2009, further amended vide Amendment Rules 2011, during financial year 2008-09 the company exercised option of deferring foreign exchange difference arising on long term foreign currency monetary items viz 'FCCBs', Foreign Currency Term Loan to the Profit and Loss account, in respect of accounting periods commencing on or after December 22, 2006. As a result, such foreign exchange difference relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets and would be depreciated over the balance life of the assets and in other cases has been accumulated in 'FCMITDA'. Exchange loss (net) ₹13,860,000/- (Previous year exchange loss (net) ₹8,892,000/-) has been adjusted in gross block of Fixed Assets. Exchange difference on External Commercial Borrowing (ECBs) raised for repurchasing FCCBs has been transferred to 'FCMITDA'
- 11.8 Additions are after adjusting exchange loss (net) ₹13,860,000/- (Previous Year exchange loss (net) ₹8,892,000/-)

Assets	31.03.2016	31.03.2015
i. Building	4,401,721	2,822,441
ii. Plant & Equipment	8,712,507	5,591,360
iii. Furniture & Fixtures	493,292	316,305
iv. Software	252,480	161,893
<b>Total</b>	<b>13,860,000</b>	<b>8,892,000</b>

**12 Non Current investment (Long Term Investments)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>Other Investments</b> (Valued at Cost unless stated otherwise)				
<b>Quoted</b>				
Equity Shares				
- Haryana Financial Corporation 4,800 (Previous Year 4,800) Equity Shares of ₹10/-each, fully paid		<b>168,000</b>		168,000
<b>Unquoted</b>				
Share in profit of Associate:				
Balance at the beginning of the year	-		(21,802,421)	
Add: Share in profit/(loss)during the year	-		-	
Less Share in profit/(loss) of Associates transferred to Statement of Profit & Loss	-	-	21,802,421	-
Equity Shares of Subsidiary Company				
- "06196375 Cables Limited" (formerly AEI Cables Ltd.), United Kingdom (in administration) 20,000 (Previous Year 20,000) Equity Shares of £ 1 each, fully paid	<b>76</b>		76	
Less : Provision for Diminution in value of investment	<b>75</b>	<b>1</b>	75	1
<b>Unquoted</b>				
Redeemable Preference Shares of Subsidiary Company				
- "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in administration) 2,995,000 (previous year 2,995,000) Redeemable Preference Shares of £ 1 each, fully paid	-		-	
Less : Provision for Diminution in value of investment	-	-	-	-
<b>Total</b>		<b>168,001</b>		168,001
<b>Quoted Investments</b>				
- Aggregate of Book Value		<b>168,000</b>		168,000
- Aggregate of Market Value		<b>118,320</b>		118,320
<b>Unquoted Investments</b>				
- Aggregate of Book Value		<b>76</b>		76
- Aggregate provision for Diminution in value of investment		<b>75</b>		75

12.1 Aggregate Provision for diminution in value of investments in has been made keeping in view that subsidiary "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration/liquidation.

12.2 "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31<sup>st</sup> March, 2014. Now this company is under creditors' voluntary liquidation.

### 13 Long Term Loans and Advances (Unsecured, Considered Good)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Capital Advances		2,992,220		2,992,220
Security Deposits				
- Related Parties (Refer Note 13.1)	18,000,000		18,000,000	
- Others	8,831,600	26,831,600	8,777,600	26,777,600
Loans and Advances to Workers & Staff		830,762		433,038
<b>Total</b>		<b>30,654,582</b>		<b>30,202,858</b>

13.1 Disclosure pursuant to clause 32 of the Listing Agreement with Stock Exchanges is given below:

Figures in ₹

(a) Loans and Advances in the nature of Security deposit given to Related Parties:

Name	As at 31.03.2016	Maximum Balance during 2015-16	As at 31.03.2015	Maximum Balance during 2014-15
Paramount Telecables Limited	18,000,000/-	18,000,000/-	18,000,000/-	18,000,000/-
— Security deposit for premises taken on rent by the Company and adjustable/refundable as per terms & conditions of the Lease Agreement.				
(b) Investment by the Loanee in the shares of the company				
<u>Equity Shares</u>				
- Amount (par value)		49,703,000		49,703,000
- No of shares		24,851,500		24,851,500
<u>Preference Shares</u>				
- Amount (par value)		76,500,000		76,500,000
- No of shares		765,000		765,000

### 14 Inventories

(as taken, valued & certified by the management)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
Raw Materials		156,078,308		220,007,271
Work -in- Progress		165,908,193		266,280,951
Finished Goods		198,181,805		254,502,921
Stock in Trade		-		-
Stores & Spares		12,495,228		13,393,926
Packing Materials		3,668,399		1,004,828
Scrap		2,466,238		2,662,379
<b>Total</b>		<b>538,798,171</b>		<b>757,852,276</b>

**15 Trade Receivables (Current)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	<b>Unsecured</b>			
Outstanding for a period exceeding six months from the date due for payment				
- Considered Good	119,151,959		161,681,913	
- Considered Doubtful	117,046,482		105,332,274	
	236,198,441		267,014,187	
Less: Provision for Bad and Doubtful Debts	117,046,482	119,151,959	105,332,274	161,681,913
Others				
- Considered Good	1,163,580,078		1,413,348,314	
- Considered Doubtful	-		-	
	1,163,580,078		1,413,348,314	
Less: Provision for Bad and Doubtful Debts	-	1,163,580,078	-	1,413,348,314
<b>Total</b>		<b>1,282,732,037</b>		<b>1,575,030,228</b>

**16 Cash and Bank Balances**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Cash on hand		7,187,803	
Balances with Banks				
- Current Accounts	3,894,288		4,405,168	
- Fixed Deposits (Refer Note 16.1)	269,287,910	273,182,198	166,490,346	170,895,514
<b>Total</b>		<b>280,370,001</b>		<b>176,570,593</b>
Balance with Bank in Unpaid Dividend Accounts		-		467,296
Fixed Deposit with more than 12 months maturity		131,920,712		41,863,732

16.1 Fixed deposits with banks ₹269,287,910/- (Previous Year ₹166,490,346/-) are under lien/custody with banks/ others.

**17 Short Term Loans & Advances (Unsecured, considered good)**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Balance with Excise Authorities		51,663,001	
Others				
- Advances to Supplier	29,502,018		49,210,097	
- Prepaid Expenses	3,803,901		3,828,687	
- Amount Recoverable in Cash or Kind	2,669,480		2,012,066	
- Earnest Money Deposits	10,835,817		10,558,030	
- Security Deposits	641,921		758,912	
- Loans to Workers & Staff	1,214,047		889,295	
- Advances to Workers & Staff	3,781,965		1,191,010	
- Claims Recoverable from Government	58,295,422		52,654,619	
- Advance Tax/ Income Tax Recoverable	16,016,184	126,760,755	5,195,274	126,297,990
<b>Total</b>		<b>178,423,756</b>		<b>186,560,956</b>

**18 Other Current Assets**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
	Interest Accrued on Deposits		17,251,989	
<b>Total</b>		<b>17,251,989</b>		<b>14,048,567</b>

**19 Revenue From Operations (Gross)**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Sale Of Products				
- Manufactured Goods	3,407,529,868		4,823,239,921	
- Traded Goods	-	3,407,529,868	58,654,624	4,881,894,545
Other Operating Revenue				
- Export Benefits	2,523,550		8,772,555	
- Sale of Scrap	29,096,643	31,620,193	83,805,487	92,578,042
<b>Total</b>		<b>3,439,150,061</b>		<b>4,974,472,587</b>

**19.1 Detail of Sales (Manufactured Goods)**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Power Cables		2,898,457,625		3,281,945,726
Jelly Filled Telephone Cables		182,580,220		437,659,032
Optical Fibre Cables		326,492,023		1,103,635,163
<b>Total</b>		<b>3,407,529,868</b>		<b>4,823,239,921</b>

**19.2 Detail of Sales (Traded Goods)**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Cables & Accessories		-		58,654,624
<b>Total</b>		<b>-</b>		<b>58,654,624</b>

**20 Other Income**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Interest Income				
- Fixed Deposits	17,790,213		17,478,603	
- On Income tax Refund	239,583		-	
- Others	5,341,774	23,371,570	1,274,913	18,753,516
Liabilities Written Back		133,373		61,525
Insurance Claim Received		643,243		-
Miscellaneous Income		9,595		2,048,394
Profit on sale/disposal of Fixed Assets (Net)		198,154		-
<b>Total</b>		<b>24,355,935</b>		<b>20,863,435</b>

**21 Cost of Materials Consumed**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
<b>Raw Materials consumed</b>				
- Opening Stock	220,007,271		282,593,742	
Add : Purchases	2,614,479,821		3,480,771,220	
Less : Closing Stock	156,078,308	2,678,408,784	220,007,271	3,543,357,691
		<b>2,678,408,784</b>		<b>3,543,357,691</b>

**21.1 Particulars of Raw Materials consumed**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Copper		907,340,058		1,349,553,733
Aluminum, Metal & Braiding		773,009,589		732,930,214
PVC/PE		674,918,137		746,856,729
GI Wires/Strips		171,992,003		203,575,053
Others		151,148,997		510,441,962
<b>Total</b>		<b>2,678,408,784</b>		<b>3,543,357,691</b>

**22 Purchase of Stock in Trade**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Cables & Accessories		-		36,468,713
<b>Total</b>		<b>-</b>		<b>36,468,713</b>

**23 (Increase)/Decrease in Inventory of Finished Goods, Work In Progress and Stock in Trade**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
<b>Opening Stock</b>				
- Finished Goods	254,502,921		661,424,719	
- Stock In Trade	-		6,840,090	
- Work In Progress	266,280,951		522,607,814	
- Scrap	2,662,379	523,446,251	7,421,086	1,198,293,709
<b>Less; Closing Stock</b>				
- Finished Goods	198,181,805		254,502,921	
- Stock In Trade	-		-	
- Work In Progress	165,908,193		266,280,951	
- Scrap	2,466,238	366,556,236	2,662,379	523,446,251
		<b>156,890,015</b>		<b>674,847,458</b>

**24 Employee Benefits Expense**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Salaries, Wages & Others Benefits	120,393,104		105,314,419	
Contribution to Provident & Other Funds	5,906,451		5,502,464	
Welfare Expenses	4,972,189	131,271,744	4,504,958	115,321,841
		<b>131,271,744</b>		<b>115,321,841</b>

24.1 The disclosures required under Accounting Standard 15 "Employee Benefits" ("AS-15") are given below:

**Defined Contribution Plan**

The amount recognized as an expense in defined contribution plan is as under:

**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Contributory Provident Fund & Employees Pension Scheme, 1995		5,906,451		5,143,129

**Defined Benefit Plan**

The company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

Particulars	Gratuity	Leave	Gratuity	Leave
	(Funded) 2015-16	Encashment (Unfunded) 2015-16	(Funded) 2014-15	Encashment (Unfunded) 2014-15
<b>a) Actuarial Assumptions</b>				
Discount rate	7.80	7.70	7.82	7.80
Expected rate of return on assets	8.00	-	8.00	-
Expected rate of future salary increase	8.00	9.00	8.00	9.00
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Present value of obligations as at beginning of year	17,922,541	11,049,981	16,240,254	93,12,746
Interest cost	1,397,958	861,899	1,269,988	8,47,460
Current Service Cost	2,161,616	1,003,776	1,986,395	10,67,727
Benefits paid		(599,144)		(1,034,864)
Actuarial (gain)/loss on Obligations	(1,785,008)	(426,375)	(1,574,096)	8,56,912
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Present value of obligations as at end of year	19,697,107	11,890,137	17,922,541	1,10,49,981
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as on beginning of year	17,602,810	-	14,822,121	-
Expected return on plan assets	1,408,225	-	1,360,219	-
Contributions	1,427,919	-	1,457,737	-
Benefits paid	-	-	-	-
Actuarial Gain/(Loss) on Plan assets	181,927	-	(37,267)	-
Fair value of plan assets at the end of year	20,620,881	-	17,602,810	-
<b>d) Fair value of plan assets</b>				
Fair value of plan assets at beginning of year	17,602,810	-	14,822,121	-
Actual return on plan assets	1,590,152	-	1,322,952	-
Contributions	1,427,919	-	1,457,737	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of year	20,620,881	-	17,602,810	-
Funded status	923,774	(11,890,137)	(319,731)	(11,049,981)
Excess of Actual over estimated return on plan	181,927	-	37,267	-
<b>e) Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year – Obligation	(1,966,935)	426,375	(1,574,096)	(856,912)
Actuarial (gain)/Loss for the year – plan assets	181,927	-	37,267	-
Total (gain)/Loss for the year	(1,785,008)	(426,375)	(1,536,829)	8,56,912
Actuarial (gain)/Loss recognized in the year	(1,785,008)	(426,375)	(1,536,829)	8,56,912
<b>f) The amounts recognized in the balance sheet</b>				
Present value of obligations as at the end of year	19,697,107	11,890,137	17,922,541	1,10,49,981
Fair value of plan assets as at the end of the year	20,620,881	-	17,602,810	-
Funded status	(923,774)	(11,890,137)	(319,731)	(11,049,981)
Net (Asset)/liability recognized in balance sheet	(923,774)	11,890,137	(319,731)	11,049,981
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>				
Current Service Cost	2,161,616	1,003,776	1,986,395	10,67,727
Interest cost	1,397,958	861,899	1,269,988	8,47,460
Expected return on plan assets	(1,408,225)	-	(1,360,219)	-
Net Actuarial (gain)/Loss recognized in the year	(1,966,935)	(426,375)	(1,536,829)	8,56,912
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Expenses recognized in statement of Profit & Loss	184,414	1,439,300	359,335	2,772,099

**25 Finance Costs**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Interest Expense				
- Interest on Borrowings	721,513,529		582,886,060	
- Interest On Income Tax	40,711	721,554,240	27,250	582,913,310
Other Borrowing Costs		16,352,920		27,261,582
<b>Total</b>		<b>737,907,159</b>		<b>610,174,892</b>

25.1 Interest on borrowings from banks has been provided based upon information available from banks and as per best estimates by management.

**26 Depreciation and Amortisation Expenses**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Fixed Assets				
- Tangible Assets	84,962,593		92,255,987	
- Intangible Assets	872,426	85,835,019	714,002	92,969,989
		85,835,019		92,969,989

**27 Other Expenses**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Stores , Spares & Consumables		23,407,975		22,772,113
Excise Duty (Refer Note 27.1)		(6,257,902)		(33,486,854)
Packing Expenses		90,134,990		120,180,152
Power, Fuel and Lighting		90,630,706		85,963,310
Rent		22,568,522		22,247,992
Repair & Maintenance				
- Plant & Machinery	13,543,709		10,992,656	
- Building	1,806,266		2,159,979	
- Others	3,795,918	19,145,893	2,956,574	16,109,209
Insurance (Refer Note 27.2)		6,767,560		6,735,164
Rates and Taxes [Includes Wealth Tax ₹Nil (Previous Year ₹17,753/-)]		1,413,660		2,272,280
Auditor's Remuneration (Refer Note 27.3)		2,713,237		2,696,075
Conversion Charges		3,575,975		4,902,130
Labour Charges		75,568,068		79,872,398
Rebates,Discount,Commission on Sales		18,583,521		17,200,195
Freight, Octroi & cartage [Net of recovery ₹51,721,382/- (Previous Year ₹84,021,084/-)]		29,549,645		8,847,613
Bad Debts written off/provided		28,350,194		17,081,383
Travelling and Conveyance		31,117,681		25,848,878
Amortisation of FCMITDA (Net)		32,718,270		25,681,183
Exchange Fluctuation (Net)		29,772,964		18,147,002

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Advertisement & Publicity		1,622,436		562,142
Communication Expenses		4,966,909		5,140,619
Loss on sale/disposal of Fixed Assets (Net)		-		132,513
Donations		869,000		2,052,600
Directors Meeting Fee		850,000		554,000
Miscellaneous Expenses		58,406,011		53,364,213
<b>Total</b>		<b>566,475,315</b>		<b>504,876,311</b>

- 27.1 Amount of Excise Duty deducted from the turnover is for sales made during the year and the amount recognized separately in the statement of Profit & Loss is related to the difference between the closing stock and opening stock.
- 27.2 Insurance Premium of ₹3,818,207/-(Previous Year ₹3,823,586/-) on Keyman Insurance Policy has been charged to Profit & Loss. Maturity value of such policies will be accounted for on receipt basis.

**27.3 Auditor's Remuneration\*:**

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
Audit Fees		1,943,287		2,056,219
Tax Audit fees		150,000		150,000
Taxation Matters		379,771		335,236
Certification & Consultancy		202,500		115,000
Out of Pocket Expenses		37,680		39,620
All other services – to previous auditors		2,713,237		2,696,075

\*Excludes Service Tax

**27.4 Value of Imports on CIF basis**

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
- Raw Materials purchases		354,804,550		569,384,785
- Stores, Spares & Consumables		2,601,910		4,510,278

**27.5 Expenditure in Foreign Currency (on Accrual Basis)**

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
<b>Finance Cost</b>				
- Interest on Loan		25,132,024		24,342,077
<b>Other Expenses</b>				
- Travelling & Conveyance		4,568,208		2,267,412
- Miscellaneous Expenses		4,082,169		3,845,486
- Annual Maintenance Fee to Exchange		184,925		-

**27.6 Value of Imported and Indigenous materials consumed**
**Figures in ₹**

Class of Goods	Year Ended 31 <sup>st</sup> March, 2016		Year Ended 31 <sup>st</sup> March, 2015	
	Percentage	Amount	Percentage	Amount
<b>Materials</b>				
- Indigenous	86.75	2,323,604,234	83.93	2,973,972,906
- Imported	13.25	354,804,550	16.07	569,384,785
<b>Total</b>	<b>100.00</b>	<b>2,678,408,784</b>	<b>100</b>	<b>3,543,357,691</b>
<b>Stores, Spares &amp; Consumables</b>				
- Indigenous	88.88	20,806,065	80.19	18,261,835
- Imported	11.12	2,601,910	19.81	4,510,278
<b>Total</b>	<b>100.00</b>	<b>23,407,975</b>	<b>100</b>	<b>22,772,113</b>
<b>Packing Materials</b>				
- Indigenous	100.00	90,134,990	100	120,180,152
- Imported	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>90,134,990</b>	<b>100</b>	<b>120,180,152</b>
<b>Traded Goods</b>				
- Indigenous	-	-	100	36,468,713
- Imported	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>36,468,713</b>

**27.7 Earnings in Foreign Exchange (on Accrual Basis)**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
- Exports (on FOB Prices)	1,209,843	155,161,769

**28 Exceptional Items**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
- Write back of cumulative loss in Paramount wires & Cables Limited upon sale of Equity shares of Associate	-	21,802,421
	-	21,802,421

**29 Earnings Per Equity Share pursuant to Accounting Standard- 20 ("AS-20")**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
Net Profit /(Loss) after Taxation	(1,238,763,110)	(1,009,600,276)
Number of Equity Shares at the beginning of the year	125,233,465	125,233,465
Weighted average number of Equity shares for Basic EPS	125,233,465	125,233,465
Weighted average number of equity shares for Diluted EPS	125,233,465	125,233,465
Basic Earnings per Share (₹)	(9.89)	(8.06)
Diluted Earnings per Share (₹)	(9.89)	(8.06)
face Value of each Equity Share (₹)	2/-	2/-

30 “Related party disclosures”, for the year ended 31<sup>st</sup> March, 2016, as required by Accounting Standard-18 (“AS-18”) are given below:

**Relationships:**

**i) Subsidiary of the Company:**

“06196375 Cables Limited” (formerly AEI Cables Limited), United Kingdom (in Administration).

**ii) Associate of the Company:**

Paramount Wires & Cables Limited (upto 26<sup>th</sup> May, 2014)

**iii) Other related parties in the Group where common control exists:**

Sanjay Aggarwal (HUF)

Sandeep Aggarwal (HUF)

S.S. Aggarwal (HUF)

April Investment & Finance Private Limited

Worth Finance & Leasing Private Limited

Paramount Telecables Limited

S.S. Aggarwal Foundation

**iv) Key Managerial Personnel:**

Mr. Sanjay Aggarwal

Mr. Sandeep Aggarwal

Mr. Shambhu Kumar Agarwal, Chief Financial Officer (w.e.f 1<sup>st</sup> October, 2014)

Ms Tannu Sharma, Company Secretary (w.e.f 1<sup>st</sup> October, 2014)

Mr. Keith Scott

Mr. Rattan Lal Aggarwal (w.e.f 27<sup>th</sup> February, 2014)

**v) Relatives of Key Managerial Personnel with whom transactions have taken place:**

Ms Parul Aggarwal

**vi) Enterprises over which relatives of Key Managerial Personnel have significant influence and with whom transactions have taken place:**

Paramount Wires & Cables Limited (w.e.f 27<sup>th</sup> May, 2014)

Surya Laboratories Private Limited (w.e.f 1<sup>st</sup> April, 2014)

**a. Details relating to parties referred to in items (i), (ii), (iii), (iv), (v) and (vi) above:**
**Figures in ₹**

Particulars	Year	(i)	(ii)	(iii)	(iv)	(v)	(vi)	TOTAL
Maximum outstanding of sundry debtors during the year	2015-16 2014-15	- -	- -	- -	- -	- -	266,314,538 244,363,659	266,314,538 244,363,659
Sundry debtors outstanding as at year end	2015-16 2014-15	- -	- -	- -	- -	- -	110,447,039 126,634,061	110,447,039 126,634,061
maximum outstanding of security deposits given for premises taken on rent	2015-16 2014-15	- -	- -	18,000,000 18,000,000	- -	- -	- -	18,000,000 18,000,000
outstanding of security deposit given for premises taken on rent as at year end	2015-16 2014-15	- -	- -	18,000,000 18,000,000	- -	- -	- -	18,000,000 18,000,000
Maximum outstanding balance of amount payable during the year	2015-16 2014-15	- -	- -	- -	- -	- -	130,089,462 115,909,118	130,089,462 115,909,118
Expense payable during the year	2015-16 2014-15	- -	- -	- 216,000	- -	- -	- -	- 216,000
Rent Paid for use of assets	2015-16 2014-15	- -	- -	20,923,886 20,906,664	- -	- -	- -	20,923,886 20,906,664
Managerial Remuneration	2015-16 2014-15	- -	- -	- -	9,200,660 3,114,081	- -	- -	9,200,660 3,114,081
Salaries and other Benefits	2015-16 2014-15	- -	- -	- -	2,387,121 1,002,384	- 530,880	- -	2,387,121 1,533,264
Purchases of shares	2015-16 2014-15	- 76	- -	- -	- -	- -	- -	- 76
sales	2015-16 2014-15	- -	- 87,319,948	- -	- -	- -	301,851,069 558,838,923	301,851,069 646,158,871
Purchases of Raw Materials	2015-16 2014-15	- -	- -	- -	- -	- -	6,760,004 126,571,188	6,760,004 126,571,188
Donations	2015-16 2014-15	- -	- -	- 1,350,000	- -	- -	- -	- 1,350,000

**b. Non-Financial Transactions:**

- i. Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings and also have pledged their share holding in the company with banks.
- ii. Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for AEI's borrowings.
- iii. Guarantee of ₹10,000,000/- (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2016 ₹Nil (Previous year ₹867,329/-).
- iv. Paramount Telecables Limited has given its property as collateral by way of 2<sup>nd</sup> charge to the banks of the company.
- v. In case of Company, the remuneration does not include Gratuity and Provision for Leave Encashment under Accounting Standard -15 (Revised) and personal accident insurance premium, since same is not available for individual employees.

### 31 Operating Leases:

The Company has entered into lease transactions during the current financial year mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 10 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 ₹22,568,522/- (Previous year ₹22,447,992/-) for the leases, which commenced on or after April 1, 2001. Minimum lease payments under non-cancellable operating leases are:

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016	As At 31 <sup>st</sup> March, 2015
<b>Minimum Lease Payments</b>		
— Not later than one year	20,666,664	20,666,664
— Later than one year but not later than five years	55,833,326	76,499,990
— Later than five years	-	-

32 In opinion of the management Company's business activity mainly falls within a single primary business segment "Cables", the disclosures requirements of Accounting Standard-17 ("AS-17") "Segment Reporting" are not applicable.

### 33 (i) Unhedged amount payable in foreign currency:

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016			As At 31 <sup>st</sup> March, 2015		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Payables	25,547,270	383,535	USD	19,531,255	311,205	USD
	-	-	EURO	57,975	849	EURO
Payable	72,968,096	1,095,453	USD	47,836,073	762,206	USD
FCCBs	727,123,097	10,916,125	USD	685,096,015	10,916,125	USD
Foreign Currency Term Loans	332,755,575	4,995,580	USD	313,522,593	4,995,580	USD

### 33 (ii) Unhedged amount receivable in foreign currency:

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016			As At 31 <sup>st</sup> March, 2015		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Receivables	-	-	GBP	2,050,851	22,352	GBP
	6,129,196	92,937	USD	54,646,754	879,413	USD
Receivables	348,884	4,652	GBP	3,597,191	37,046	GBP
	584,164	8,404	USD	1,828,278	28,939	USD

**34 Contingent Liabilities & Commitments**  
(to the extent not provided for)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2016		As At 31 <sup>st</sup> March, 2015	
<b>34.1 Contingent Liabilities</b>				
Claims Against the Company not acknowledged as Debt		<b>9,201,854</b>		8,970,854
<b>34.2 Guarantees</b>				
i. Financial Bank Guarantees outstanding		<b>35,530,200</b>		15,255,296
ii. Guarantee of ₹10,000,000/- (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Ltd.				
- Credit Facilities availed by Paramount Wires & Cables Ltd.		-		867,329
<b>34.3 Duties &amp; Taxes</b>				
i. Income Tax				
- Demands under appeal	<b>44,298,650</b>		44,298,650	
- Matter which have been decided in favour of the Company in first appeal stage, however, Income tax department has filed appeal against orders of first appellate authority.	-	<b>44,298,650</b>	27,008,740	71,307,390
ii. Excise demands under appeal		<b>222,102,658</b>		87,307,710
iii. Service tax demands under appeal		<b>31,587,069</b>		22,108,874
iv. Custom duty demand due to denial of concessional custom duty, under appeal		<b>6,434,896</b>		6,434,896
<b>34.4 Other money for which company is contingently liable</b>				
i. Unutilised Letter of Credits		<b>6,839,600</b>		33,400,477
ii. Outstanding Bill discounted		<b>179,941,540</b>		94,312,312
iii. Right of recompense of CDR lenders for reliefs/sacrifices/waivers extended by respective CDR lenders to the company.		Amount unascertainable		Amount unascertainable
iv. Letter of demand from a bank due to guarantee given for borrowings of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (Subsidiary). In opinion of the company the amount of demand is yet to be finalised and agreed by the company. (This is co guaranteed by the Chairman and CEO and Managing Director of the Company in their individual capacity due to which company expects no final liability will arise on the company).	(₹)	<b>33,280,722</b>		33,733,615
	£	<b>345,846</b>		345,846
<b>34.5 Commitments</b>				
i. Estimated amount of contracts (net of advances) remaining to be executed on Capital Account.		-		2,067,000

35. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23<sup>rd</sup> November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a Premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹253,676,808/- (Gross of tax). A winding up petition was filed against the Company on behalf of the FCCB holders which has been dismissed by the court during the year.
36. **Going Concern :**  
The company has recorded a net loss of ₹1,238,763,110/- for the year and has accumulated losses of ₹4,357,392,424/- as at 31<sup>st</sup> March, 2016, resulting in negative net worth. The company has also defaulted in payments of interest and redemption amount of Foreign Currency Convertible Bonds (FCCBs) and interest and term loans installments to banks and other working capital facilities from banks. The management is confident that the company will be able to generate profits in future years and meet its financial obligations as may arise. The Management is also exploring inducting financial investor/s in the company and/or joint venture with foreign companies. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:
- The company has not defaulted in payment of statutory dues or its trade creditors etc.
  - CDR package was approved during financial year 2010-11 and further "Rework Package" has been approved by CDR-EG vide Letter of Approval (LOA) dated 11<sup>th</sup> July, 2012. The Company has again proposed banks to reschedule term loans repayments.
  - The Company and promoters have undertaken to raise and had raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies. The Management is also exploring inducting financial investor in the company and/or joint venture with foreign companies.
  - The Company has strong order book position.
37. Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under section 15 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide order dated 31.10.2013, BIFR has restrained company from disposing of or alienating in any manner any fixed assets of the Company without consent of BIFR.
38. "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31<sup>st</sup> March, 2014.
39. Additional Information in pursuant to Schedule III of the Companies Act, 2013

S. No.	Name of the Entity	Ownership Interest	Net Assets, i.e., total assets minus total liability		Share in profit or loss	
			As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount(₹)
1	2		3	4	5	6
1	<b>Parent</b>		-100.03%	(3,354,426,524)	-99.95%	(1,238,163,234)
2	<b>Subsidiaries</b>					
A	Foreign					
a.)	Paramount Holdings Limited ,Cyprus	100.00%	0.00%	-	0.01%	184,031
b.)	AEI Power Cables Limited, United Kingdom	100.00%	0.03%	925,075	-0.06%	(783,907)
	<b>TOTAL</b>		-100.00%	(3,353,501,449)	-100.00%	(1,238,763,110)

40. "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31<sup>st</sup> March, 2014. Now this company is under creditors' voluntary liquidation.
41. Figures for the previous year have been regrouped & rearranged, wherever necessary.

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As per our separate report of even date attached

**For JAGDISH CHAND & CO.**

Firm Registration Number : 000129N

**Chartered Accountants**

**(J.C. Gupta)**

Partner

Membership No. 6107

**(Sandeep Aggarwal)**

Managing Director

DIN No. 00002646

**(S K Agarwal)**

Chief Financial Officer

Membership No. 053595

**(Satya Pal)**

Director

DIN No. 00287845

**(Tannu Sharma)**

Company Secretary

Membership No. ACS 30622

**Place of signing : New Delhi**

**Date: 27<sup>th</sup> May, 2016**

**Place : New Delhi**

**Date : 27<sup>th</sup> May, 2016**







**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]*

**PARAMOUNT COMMUNICATIONS LIMITED**

CIN: L74899DL1994PLC061295

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Website: [www.paramountcables.com](http://www.paramountcables.com) ; Email: [investors@paramountcables.com](mailto:investors@paramountcables.com)

<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

1. Name : .....

Address : .....

..... E-mail Id : .....

Signature : ....., or failing him

2. Name : .....

Address : .....

..... E-mail Id : .....

Signature : ....., or failing him

3. 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 **22<sup>nd</sup> Annual General Meeting** of the Company, to be held on the **Tuesday, 27<sup>th</sup> Day of September, 2016** at **11:30 A.M.** at **SHAH AUDITORIUM, SHREE DELHI GUJARATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054** and at any adjournment thereof in respect of such resolutions as are indicated below:

	Optional	
	FOR	AGAINST
<b>ORDINARY BUSINESS</b>		
1. Adoption of Annual Accounts of the Company as on March 31, 2016.		
2. Re-appointment of Mr. Sandeep Aggarwal, retiring by rotation and being eligible, offering himself for re-appointment.		
3. Re-appointment of Statutory Auditors of the Company till the conclusion of the next Annual General Meeting.		
<b>SPECIAL BUSINESSES</b>		
4. Making contribution for bonafide and charitable purposes not exceeding Rs. 25 Lac in one Financial year;		
5. To approve related party transaction not exceeding Rs. 200 Crore in one Financial year;		
6. To approve the remuneration of the Cost Auditor for the financial year 2016-2017		

Date : ....., 2016.

.....  
Signature of shareholder

.....  
Signature of Proxy holder(s)



**Note:**

1. 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.
2. 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.



# Paramount Communications Ltd.

CIN: L74899DL1994PLC061295

Regd. Office: C-125, Naraina Industrial Area, Phase-1, Naraina, New Delhi-110028, India

Ph.: +91-11-4561 8800-900, Fax: +91-11-25893719-720

Website: www.paramountcables.com, E-mail: investors@paramountcables.com

## ATTENDANCE SLIP

Please complete this slip and hand it over at the entrance of the meeting hall.

L.F. No. ....

No. of Shares Held .....

DP.ID.\*

Client ID.\*

	Name(s) in full	Father/Husband's Name	Address as Regd. with the Company
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....

I/We hereby record my/our presence at the 22<sup>nd</sup> Annual General Meeting of the Company being held on Tuesday, the 27<sup>th</sup> day of September, 2016 at 11:30 A.M. at Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near Inter State Bus Terminal, Delhi-110054, India.

Signature of the shareholder(s)/Proxy\*\*

1. ....

2. ....

\* Applicable for investors holding shares in electronic form

\*\* Strike out whichever is not applicable

Note: Attendance slip in original should be complete in all respect.



**Paramount Communications Ltd.**

C-125, Naraina Industrial Area, Phase-1, Naraina, New Delhi-110028, India  
Ph.: +91-11-4561 8800-900