

**Building  
Momentum**  
for tomorrow



**Late Shri Shyam Sunder Aggarwal**

Founder – Paramount Communications Limited  
(06.10.1936 – 06.12.1999)

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

- *Bhagwat Gita*, 3.21

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to view our report online



# Building momentum for tomorrow

**...is taking decisive moves** to overcome obstacles

**...is focusing** on the core strengths to create a competitive edge

**...is being determined** to build a sustainable business model that will deliver over the long run

**...is targeting** the right areas that will drive future growth

At Paramount Communications Limited, or Paramount Cables, our brand by which we are commonly known, this is how we are gearing up for a better future, having successfully navigated through one of the most challenging phases in our existence. During these times the demand and sales declined, margins were hit, inventory went up, foreign acquisition and domestic expansion went haywire, and debts swelled. It tested our mettle, eroded our net worth, and dwindled shareholder value.

Yet, we remained resilient and focused on basics.

We continued with uninterrupted operations and our commitment to quality. We focused on reducing debt and improving balance sheet health. We diversified to newer businesses and launched pioneering products.

And here we are today, a rejuvenated organization, prepared to capitalize on the unprecedented industry opportunities that lie ahead.

**This is our new beginning.**

## Building momentum for tomorrow with decisive moves

### Corporate debt restructuring

We settled all our outstanding debts with banks to sustainable level.

### Foreign Currency Convertible Bond (FCCB) conversion

We settled with the bond holders and converted FCCBs into equity.

### Maintaining uninterrupted operations

We continued operations without any disturbance, while remaining focused on improving operational efficiency and quality.

### Strengthening retail presence

We continued to grow our housing wire business that provides the advantage of diversification to retail segments and better margins.

### Promoter capital infusion

Our promoters infused ₹ 260 Million to strengthen finances and meet working capital requirements. The funds will also be utilized for modernizing and debottlenecking the plants to enhance production capacities and hence improve margins.



## The result

### ▲ Net worth

Net worth increased from  
₹ (3,354) Million in FY 2015-16 to

**₹ 863 Million**

in FY 2017-18

### ▼ Total debt

Total debt declined by

**65%** from

₹ 5,799 Million in FY 2015-16 to ₹ 2,035 Million  
in FY 2017-18

### ▼ Interest costs

Interest costs declined by

**94%** from

₹ 722 Million in FY 2015-16 to ₹ 42 Million  
in FY 2017-18

### ▲ Revenues

Revenues increased by 38% from  
₹ 3,118 Million in FY 2015-16 to

**₹ 4,300 Million**

in FY 2017-18

### ▲ Operating profit

Operating profit of

**₹ 10 Million** in FY 2017-18 against an

operating loss of ₹ 431 Million in FY 2015-16

### ▲ Profit after tax

Profit after tax including  
comprehensive income of

**₹ 146 Million**

in FY 2017-18 against a net loss of ₹ 1,223 Million  
in FY 2015-16



## Know us better

Over six decades of operations.

Wide portfolio offerings procured by prestigious public and private sector companies across multiple sectors in India and internationally.

Amongst the few players to service the cabling needs of all major infrastructure segments. Focused on manufacturing excellence, technological advancement and customer satisfaction. We are Paramount Cables, one of India's leading and pioneering wires and cables manufacturing companies.

### Our profile

Established in 1955 by Late Shri Shyam Sunder Aggarwal as a partnership concern, Paramount Cables has grown into one of the most trusted cables brands. The Company is headquartered in New Delhi and has two manufacturing plants in Khushkhhera (Rajasthan) and Dharuhera (Haryana). It is listed on the BSE Ltd. and the National Stock Exchange of India Limited (NSE).

### We are unique

#### Multi-sectoral offerings

Power, Railways, Telecom, IT and Communications, Construction, Defense, Space Research Segments, Fertilizer, Petrochemical, Steel and Electronics among others.

#### Wide product basket

'One-Stop provider' for all cable products providing complete cabling solution to its customers.

#### Export capability

Products exported across several countries including Bangladesh, Chile, Ghana, Iraq, Jordan, Kenya, Kuwait, Libya, Nepal, Nigeria, Oman, Qatar, Russia, South Africa, Spain, Sri Lanka, Tanzania, UAE, UK, Ukraine, Zambia etc.

#### Proficient team

Highly efficient management supported by a dedicated team of engineering, marketing and finance professionals.

#### Customer-centricity

Offers high quality, competitive pricing and customer servicing.

#### Research capability

Offers customized specialty cables through strong in-house R&D, extensive technical research, sound engineering practices, and comprehensive design and development skills.



## Strong clientele

### Public sector undertaking

 APGENCO	 Maharatna Company	 Connecting India
 BSES Yamuna Power Limited		
 एनटीपीसी NTPC	 रेलटेल RAILTEL	 पुस्तक सार्वजनिक TRANSMISSION CORPORATION LIMITED
 MAHAVITARAN Maharashtra State Electricity Distribution Co. Ltd.	 BBNL CLUBO CREATIVE WORKS Illustrated for Ekaswara	 JVNL

### Private companies

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

## Our reputation

First company to be awarded the National Entrepreneurship Award by the President of India for Outstanding Achievement in the field of wire and cable manufacturing in 1984.

Sole vendor with near zero rejection rates for Railway Axle Counter Cables.

Paramount Cables is the only Indian Cables brand among the very few brands globally to simultaneously hold certification for the highest level of Fire Survival Cables from both BASEC (British Approvals Service for Cables) and LPCB (Loss Prevention Certification Board).

## Driven by R&D and manufacturing excellence

With our strong manufacturing excellence, technological advancement and R&D capabilities, we develop a wide range of high-quality products across multiple categories that cater to the stringent requirements of customers globally. This enables us to remain diversified and de-risked.

### Vendor of choice

We have emerged as vendor of choice for clients globally driven by our strong focus on quality and timely delivery of products. We have stringent in-house process controls and quality assurance experts that facilitate development of quality products. We ensure high level of scrutiny across every stage of manufacturing process right from raw material procurement to manufacturing and final despatch. It is a result of this that our products meet technological parameters and specifications of prestigious national and international agencies as well as accreditations and approvals from clients.

### R&D competence

We have to our achievement a track-record of consistently developing customized and pioneering products that are

comparatively superior in terms of quality and performance. This competency has enabled us to build strong brand equity and a reputation that if a product is from Paramount Cables it must be of high standard. It also enables us to gain first mover advantage in several instances.

### Strong manufacturing infrastructure

We have a large-scale manufacturing set-up across our plants at Khuskhera (Rajasthan) and Dharuhera (Haryana), enabling us to service the growing business requirements. Both these plants are ISO certified (ISO 9001:2015 and ISO 14001:2015) by URS certification and follow robust health and safety standards. Having advanced machineries and hi-tech testing equipment, including that for fire retardant low smoke PVC compounds and for electrical testing, these facilities enable us to maintain strong quality.





## Accreditations

### Indian Accreditation / Approvals

- ▶ Bureau of Indian Standards (BIS)
- ▶ Telecom Engineering Centre
- ▶ Research Designs & Standards Organization (RDSO) for Railways
- ▶ National Thermal Power Corp Ltd - NTPC for Power Cables
- ▶ Power Grid Corp of India Ltd - PGCIL for Power Cables

### International Accreditation / Approvals

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

### Product Licenses

Licensed by BIS to mark products with:

- ▶ IS 7098 Part 1 and Part 2 for LT 1.1 KV and 3.3KV-33KV HT XLPE Power Cables
- ▶ IS 14255 for 1.1 KV Aerial Bunch Cables
- ▶ IS 694 for light duty PVC Cables
- ▶ IS 1554 Part 1 for 1.1 KV heavy duty armoured and unarmoured cables including control cables
- ▶ Licensed by BASEC to mark products with BS 5467, BS 6724 & BS 7846
- ▶ Licensed by LPCB to mark Fire Survival Cables
- ▶ UL marking approval for Service Entrance Cables as per UL 854 and Thermoset Insulated Wires & Cables as per UL 44
- ▶ TUV approval for Solar Cables

## International Product manufacturing standards

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

# Unique and diversified product offerings

## Power

- ▶ High Tension (HT) and Low Tension (LT) Power Cables
- ▶ HT and LT Aerial Bunch Cables (ABC)
- ▶ Control and Instrumentation Cables
- ▶ Thermocouple Extension and Compensating Cables
- ▶ Fire Survival Cables
- ▶ Fire Resistant Low Smoke (FRLS) Cables

## Railway

- ▶ Signalling Cables
- ▶ Axle Counter Cables

## Telecom

- ▶ Optical Fiber Cables (OFC)
- ▶ Jelly Filled Telephone (JFT) Cables
- ▶ Aerial Telecom Cables
- ▶ Installation Cables for Electronic Exchanges
- ▶ Hook-up / Jumper / Drop Wires
- ▶ Fiber to the Home (FTTH) Cables

## Domestic Building Wires

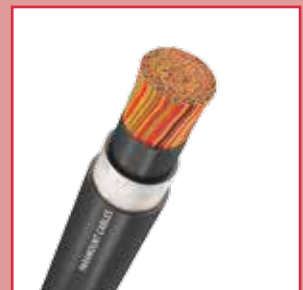
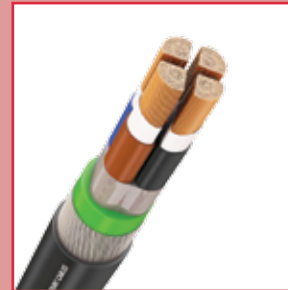
## Solar Cables

## Multicore Cables

## Submersible Cables

## Special Cables

## Poly-Tetra Fluoroethylene Cables (PTFE)



## A track-record of developing unique products

- ▶ First in the country to develop four quad Axle Counter Cables for telecom and signalling network in the Indian Railways in 1985
- ▶ First in the country to produce environment-friendly electrical housing wires with following properties:
  - ▶ 100% lead-free making it non-toxic and completely safe
  - ▶ 99.97% pure copper that are high on quality and energy saving
  - ▶ 100% conductivity to help save energy and lower electricity bills
  - ▶ Emit low smoke and gas
  - ▶ Does not release halogen into the atmosphere, thus ensuring protection of ozone layer
- ▶ One of the few companies globally to manufacture the highest rated 'F120' viz., 120 minutes Fire Survival Cables having the following properties:
  - ▶ Resistant to fire temperatures of 950°C for three hours
  - ▶ Resistant to fire with intermittent water spray mimicking fireman's water hose
  - ▶ Resistance to fire with mechanical impact mimicking falling stones / debris
  - ▶ Combination of resistance to fire with mechanical impact and water jet spray at temperature 830°C for duration of two hours
  - ▶ Limits the generation of toxic gases and fumes which hinder fire-fighting and rescue operations



## Letter from the Chairman & CEO



**Sanjay Aggarwal**  
Chairman & CEO

Our revenues increased 34% from ₹ 3,199 Million in FY 2016-17 to ₹ 4,300 Million in FY 2017-18. Net profit for the year stood at ₹ 146 Million as against a net profit of ₹ 144 Million in FY 2016-17. Our order book as on 31<sup>st</sup> March 2018 stood at ₹ 1,788 Million.

## Dear friends,

It is a pleasure to present before you the 24<sup>th</sup> Annual Report of your Company. FY 2017-18 has been a landmark year. It marks a new beginning in our six decades rich legacy as we undertook several transformational decisions, backed by relentless efforts of our team to rejuvenate growth and strengthen fundamentals.

While your Company had always been strong on operational front, it was a sudden global meltdown in the year 2008 and the resultant events in 2009 which set in motion an unfortunate chain of setbacks resulting in substantial losses to the Company as well as its 100% subsidiary in the UK. This led to multiple years of losses, net worth erosion, swelling outstanding debt and liquidity crisis.

I am glad to state that this phase of challenges is now behind us. This has been possible because of our single-minded commitment to reduce debt and interest cost. We undertook a corporate debt restructuring exercise through which total debts worth ₹ 5,799 Million were settled, down to sustainable levels of ₹ 2,035 Million. We converted matured FCCBs worth ₹ 737 Million into 18.1 Million

Equity Shares, accounting for 8% of the diluted equity. As a result of this exercise, our debt declined by 65% which will enable us to improve margins.

Our net worth turning positive has been an important development during the year. This enhances our pre-qualification to participate in a wider range of customer enquiries. It will enable us to explore more opportunities and boost business growth.

### Performance review of FY 2017-18

The impact of these initiatives is reflected in our strong performance. Our revenues increased 34% from ₹ 3,199 Million in FY 2016-17 to ₹ 4,300 Million in FY 2017-18. Net profit for the year stood at

₹ 146 Million as against a net profit of ₹ 144 Million in FY 2016-17. Our order book as on 31<sup>st</sup> March 2018 stood at ₹ 17,88 Million.

The domestic markets are witnessing strong traction led by positive industry scenario. Telecom, Power and Railway cables continue to be the key business drivers. We are also seeing strong momentum in our housing wire business. This is an important business area as it marks our extension to the retail segment, which insulates us from business cyclicity with diversification. Having initially introduced in the markets of Delhi and NCR, where we received good response, these products are now sold across north India and a few other select markets through a large dealer and distributor network. The revenues from this segment has increased by 36% to ₹ 300 Million.

Our USP lies in our technical capabilities, R&D and the quality of the products that we make. We have always chosen to develop new products with better quality at considerably lower costs. This focus has ensured that we enjoy the advantage of a robust product basket and niche offerings. These niche offerings include India's first lead-free building wires, zero-halogen and low-smoke wires, which provide a significant competitive edge to our business. Our 100% lead-free distinction makes our wires non-toxic and completely safe. The 99.97% pure Copper wires are high on quality and energy saving. Our range of highest performing Fire Survival Cables are among the very few brands globally and the only Indian brand to hold both BASEC and LPCB certifications.

We continue to perform steadily in the overseas market as well. Our exports for the year increased 20% to ₹ 180 Million. We are focused on further building overseas business by consolidating our presence in the existing regions and spreading to newer ones, especially in the US and Africa.

### Industry optimism

The favorable macro-economic outlook and the Government's strong focus on enhancing the country's infrastructure unleashes significant opportunities. I see tremendous opportunity in the telecom and railway segments.

An unprecedented growth traction is visible in the telecom sector as the country progresses on the world's largest rural broadband connectivity program to connect 600,000 villages. The phase one of the program to connect 100,000 Gram Panchayats has been completed and the second phase of connecting 150,000 Gram Panchayats is ongoing and likely to complete by March 2019. Besides, the Department of Telecommunications has come up with another ambitious plan of providing wireline broadband access to 50% of Indian households by 2022 with an estimated investment of US\$ 100 Billion. Looking at the opportunity landscape, the sector continues to attract large-case investments. Through our

diverse range of Optic Fiber and Fiber to the Home (FTTH) range of cables, we are well poised to explore the upcoming opportunities.

In the railways sector too, there is a strong drive towards modernization with the ministry targeting 100% signalling upgradation, electrification, Wi-Fi expansion and installation of escalators. The segment will attract strong investments over the next decade. As shareholders will be aware, we have enjoyed the unique distinction of being the largest supplier of specialized cables to the Indian Railways. Moving ahead too, with our wide product offering for the sector which includes Underground Railway Signalling Cables, Underground Railway Quad Axle Counter Cables, and Specialized Instrumentation Cables for underground and elevated metro projects, we are confident of making the most of the opportunities. Similarly, our fire survival cables are used in fixed installations in high occupancy buildings like airport, railways etc. and we see demand traction in these categories.

### Message to the stakeholders

We are confident that as the industry scenario turns positive, our wide range of unique and high-quality products along with the ability to customize cables will provide us a competitive edge. We aspire leveraging our strong market reputation and established relationships with reputed companies to grow business and market share.

Your Company's promoters are confident of its bright future, which is evident in them infusing a sum of ₹ 260 Million in Q1FY2018-19 to help the Company capitalize on the market opportunities. This fund will be utilized for meeting working capital expenses, thereby reducing the stress on our working capital, and towards plant and equipment upgrade which will facilitate in enhancing our operational efficiency and hence boost production.

In the coming years, we shall focus on moving up the value chain by targeting EPC opportunities in the telecom and power segments. We will also focus on growing our solar and domestic building wires business.

I thank all our stakeholders for their continued support during the tough times. With the recent developments, we are confident of regaining our position in the present industry scenario and maximizing value for each of them. I also thank all our employees who have been with us through thick and thin. Their efforts have been instrumental in enabling us overcome challenges and remain strong on every front.

Warm Regards,

**Sanjay Aggarwal**  
Chairman & CEO



# Performance highlights of the year

▲ 34% over FY 2016-17

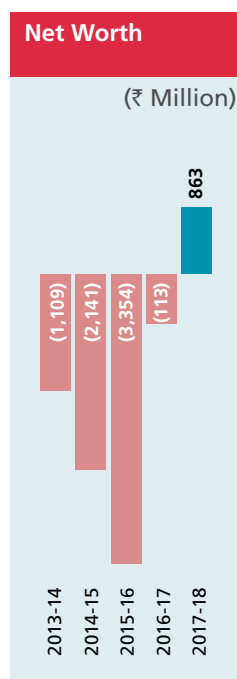
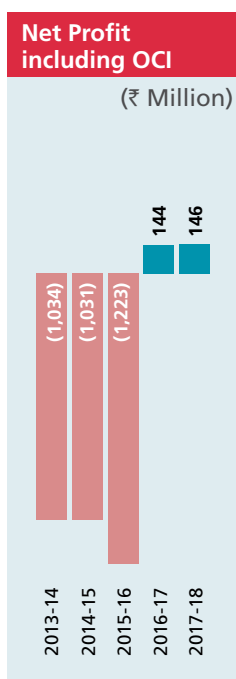
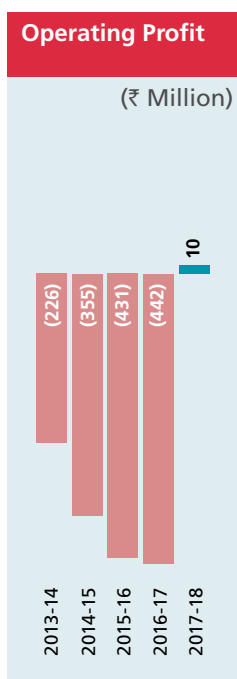
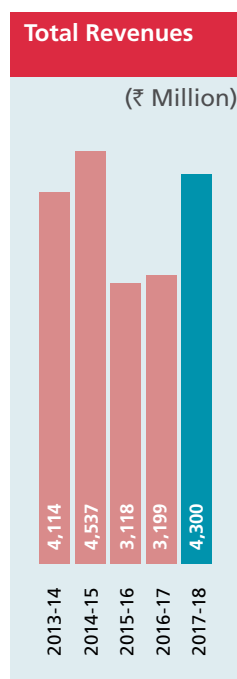
**₹ 4,300** Million  
Total Revenues

▲ 102% over FY 2016-17

**₹ 10** Million  
Operating Profit

▲ from ₹ (113) Million in FY 2016-17

**₹ 863** Million  
Net worth



## Operational highlights

- ▶ Sales of power cables increased by 27% from ₹ 2,018 Million in FY 2016-17 to ₹ 2,558 Million in FY 2017-18, accounting for 59% of the total revenues
- ▶ Sales of optical fiber telecom cables increased by 78% from ₹ 375 Million in FY 2016-17 to ₹ 665 Million in FY 2017-18, accounting for 15% of the total revenues
- ▶ Sales of signalling and quad cables increased by 112% from ₹ 358 Million in FY 2016-17 to ₹ 759 Million in FY 2017-18, accounting for 18% of the total revenues
- ▶ Sales of Housing Wiring cables increased by 36% from ₹ 220 Million in FY 2016-17 to ₹ 300 Million in FY 2017-18, accounting for 7% of the total revenues
- ▶ Order book as on 31st March 2018 stood at ₹ 1,788 Million, Railways, Power EPC Contractors and Power Discoms comprised majority of this order



## Board of directors



**1****Mr. Sanjay Aggarwal**  
Chairman and CEO

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

**2****Mr. Sandeep Aggarwal**  
Managing Director

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

**3****Mr. SPS Dangl**  
Independent Director

He is a well-known management consultant. Having over two decades of experience, he has expertise in the field of accounts and finance. He was the Managing Director at Vindhya Telelinks. He has been on the Company's Board since November 1994. He is a Commerce graduate, a Master of Arts and a Fellow Member of Institute of Cost Accountants of India.

**4****Mr. Satya Pal**  
Independent Director

He has vast experience in the field of telecommunications and has held distinguished positions during his long career with Indian Telecommunications services, including being the Chairman Telecom Commission, Government of India. He has been on the Company's Board since November 1994. He is B. Sc. (Hons) graduate, a DIISc (ECE), DIISc (ET) and F.I.E.T.E.

**5****Mr. Vijay Bhushan**  
Independent Director

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

**6****Mrs. Malini Gupta**  
Independent Director

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



## Striving for better communities

At Paramount Cables, we focus on making prosperity scalable and sustainable for all by touching the lives of underprivileged through various dedicated efforts. We believe this is the way forward to a better India.

### CSR focus areas



Empowering children  
and women



Health and  
sanitation



Empowering  
communities

### Empowering children and women

We support Samarpan Foundation's Homes in Delhi, which is committed to help the orphaned, abandoned and abused children. Focused on creating better childhood experience, it connects children with surrogate parents, and provides them necessary education and vocational training.

### Health and sanitation

We organize blood donation camps annually at our office and factories in association with recognized NGO and even volunteer to organize such camps across the NCR. We support the Rotary Viklang Kendra in New Delhi, a Rotary Club social initiative for the physically challenged, where we donate artificial limbs. Through Rotary, we have donated a state-of-the-art Laser Phaco Machine used for eye operations to Sewa Mandir, Ajmer, Rajasthan.



### Empowering communities

We have made donation towards building check dams in Haryana, Rajasthan and Uttar Pradesh. Leveraging the expertise of PHD Chamber of Commerce & Industry and Rotary, we have been involved in building 27 check dams, touching lives of more than 25,000 villagers. We regularly undertake efforts to provide necessary amenities to the underprivileged such as fans, furniture, toilets, water pumps and playground equipment to the Governmental Schools. We also sponsor education, medical aids and sports activities.





# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### GLOBAL ECONOMY

Global economy strengthened to 3.8% in 2017 as compared to 3.2% in 2016, led by a notable rebound in global trade. The upsurge was mainly driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and signs of recovery in several commodity exporters. At 3.8%, global growth was the strongest since 2011. Advanced Economies and Emerging Market and Developing Economies (EMDEs) grew at 2.3% and 4.8% respectively. Growth in China and India was supported by resurgent net exports and strong private consumption respectively.

Going forward, the world economy is expected to grow significantly at 3.9% in both 2018 and 2019 aided by strong momentum, favorable market sentiments, accommodative financial conditions and the domestic and international repercussions of expansionary fiscal policy in the US.

*(Source: IMF World Economic Outlook, April 2018)*

### INDIAN ECONOMY

During FY 2017-18, the Indian economy witnessed a slowdown due to the challenges faced by the brunt of demonetization and rollout of Goods and Services Tax (GST). Resultantly, India recorded a GDP of 6.7% during FY 2017-18 compared to 7.1% clocked in FY 2016-17. However, the economy started recovering from early 2018 with fading impact of demonetization and receding problems related to GST. Evidently, the GDP grew at 7.7% in the fourth quarter of FY 2017-18.

Despite, the initial slowdown, India remained one of the fastest growing major economies in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). Moody's upgradation of India's sovereign rating to Baa2 in 14 years with a stable economic outlook and a record jump of 30 spots in World's Bank Ease of Doing Business Report, 2018 to achieve 100<sup>th</sup> rank underline the strong economic fundamentals of the country. Moreover, Government's continued focus on stabilizing reforms, introduction of landmark Insolvency and Bankruptcy Code (IBC) towards resolution of Non-Performing Assets (NPA) problems, making investments scenario facilitative by relaxing FDI norms, etc. are all expected to support the growth momentum. GST is likely to facilitate ease of doing business, improve tax compliance and bring in transparency and efficiency in the tax system.

Another significant initiative was the allocation of ₹ 5.97 Lakh Cr for infrastructure development by the Government announced in its Union Budget FY 2018-19. This, along with Government's efforts to boost the manufacturing sector of the economy through the Make in India program, focus on building digital infrastructure and 'Housing for All by 2022' scheme are all expected to buoy the economy in the coming years. Driven by these facilitative developments, the IMF expects Indian economy to grow at 7.4% in FY 2018-19 and 7.8% in FY 2019-20.

## INDUSTRY OVERVIEW

The domestic cables and wires industry has evolved significantly from being a small industry to a very large one, over the past decade. The industry has posted CAGR of 14% in the past 5 years, primarily boosted by growth in power and infrastructure segments.

### OPPORTUNITIES

The rising demand for power, light and communication has sustained the high demand for cables and wires. Moreover, initiatives such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) with total outlay of ₹ 756 Billion over FY 2014-19 for improving rural electrification and Power for All by 2019 is one of the key drivers for the strong growth of the cables and wires industry. Additionally, Government projects such as building 100 Smart Cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities along with targeting to provide fixed line broadband access to 50% of household by 2022 will be catalyst in growing demand and augmenting the Company's performance.

*(Source: Edelweiss Consumer Durables Report)*

## OUTLOOK

Paramount focuses sharply on the power, railways and telecommunications sectors for demand of its products. The future prospects of the respective sectors are as follows:

### Power Sector

The Indian power sector has an investment potential of ₹ 15 Trillion in the next 4-5 years. With an aim to boost the power sector, the Government has set an ambitious target to achieve 175 GW capacity in renewable energy by 2022. Besides, implementation of UDAY scheme to improve the financial health of the state-owned power distribution companies (DISCOMs) is expected to provide impetus to the Government's

'Power for All' mission. The landmark 'Saubhagya' scheme was announced with an outlay of ₹ 16,000 Cr to electrify Four Cr household connections in Union Budget 2018-19. These initiatives will bolster the demand for power cables.

### Railways

The Indian railways is among the world's largest rail networks. One of the primary focus areas for the growth of the cables and wires market is railways, with nearly ₹ 1.48 Lakh Cr envisaged for spending on upgrading railway infrastructure, electrification of the rail network, modernization of railway stations and trains and revamping of suburban railways. Moreover, Government plans such as decongestion of Indian Railways and Development of metro rails in at least 50 cities across India is expected to further strengthen the cables market of the Company.

### Telecommunications

India is currently the world's second-largest telecommunications market and has been attracting huge investments in the sector. According to Department of Industrial Policy and Promotion (DIPP), the industry has attracted Foreign Direct Investment (FDI) worth US\$ 30.08 Billion between April 2000 and December 2017. With the Government's focus on Digital India, the Department of Telecommunications (DoT) has plans to come up with a new National Telecom Policy 2018 in view of rapid technological advancement in the sector. The country has also embarked on its Bharat Net initiative with an outlay of ₹ 45,000 Cr to provide high-speed broadband connectivity to all the panchayats by March 2019. The Indian telecommunication sector is expected to witness exponential growth in the coming years on the back of favorable government regulation policies and plans to auction the 5G spectrum.

### Building, Construction and Real Estate

The year 2017 was a notable year for the real estate industry reflecting the implementation of Real Estate (Regulatory & Development) Act (RERA), roll-out of GST and industry status to affordable housing. RERA is aimed to instill transparency in the sector and boost the confidence of the buyers. Extending support to the Government's *Housing for All* scheme, the private real estate developer's body has ambitious plans to come up with 250 affordable housing projects across India. This is expected to benefit the house wiring sector in the long run.

### COMPANY OVERVIEW

Paramount Communications Limited (PCL) is one of India's leading cable and wire manufacturing companies. With over six decades of operations, the Company has earned a formidable reputation in the cable industry. Its diversified product portfolio includes a comprehensive range of products such as Optical Fiber Cables (OFC), Railway Signalling Cables, Axle Counter Cables, High Voltage & Low Voltage Power Cables, Aerial

Bunch Cables (ABC), Control & Instrumentation Cables, House-wiring and Cables for Submersible Pumps, Thermocouple Extension & Compensating Cables, Fire Performance Cables, Jelly Filled Telephone Cables (JFTC), Installation Cables for Electronic Exchanges, Hook-up / Jumper / Drop Wire, etc. The Company caters to a wide array of sectors including power, railways, telecom & IT, petrochemicals, construction, Defense and space research projects etc.

Paramount Cables has a prestigious clientele including government, institutional and major private sector organizations, both national and international. The Company provides total cabling solutions to its customers and has emerged as a 'One-Stop Provider' for all its cable products. The Company is continually focused on manufacturing excellence and technological advancement to deliver quality products to its customers in order to improve customer satisfaction. Besides, the Company has earned several recognitions from esteemed institutions to become one of the largest and most trusted names in the Indian cable manufacturing industry.

## PRODUCT-WISE BUSINESS ANALYSIS AND PERFORMANCE

### POWER CABLES

The Company supplies various kinds of electric cables such as LT/HT Power Cables, Control Cables, Instrumentation Cables, Thermocouple Cables and other power cables. During the year, the Company sold power cables amounting to ₹ 255.83 Cr as compared to ₹ 201.84 Cr in the previous year.

Power Cables constitute approximately 59% of turnover of the Company for FY 2017-18.

### RAILWAY CABLES

The Company supplies various kinds of electric cables such as Railway Signalling Cables, Quad Cables and other cables. During the year, the Company sold railway cables amounting to ₹ 75.93 Cr as compared to ₹ 35.79 Cr in the previous year.

Railway Cables constitute approximately 18% of turnover of the Company for FY 2017-18.

### HOUSE WIRING CABLES

The Company supplies various kinds of electric wiring cables such as Copper Flexible, Industrial Wires & House Wiring Cables. During the year, the Company sold House Wiring Cables amounting to ₹ 29.98 Cr as compared to ₹ 22.00 Cr in the previous year.

House Wiring Cables constitute approximately 7% of turnover of the Company for FY 2017-18.

### OPTICAL FIBER CABLES (OFC)

The growth in this segment has been long foreseen, the turnover of the Company in OFC has risen in FY 2017-18. The Company sold Optical Fiber Cables amounting to ₹ 66.51 Cr as compared to ₹ 37.45 Cr in the previous year.

Optical Fiber Cables comprises 15% of the turnover of the Company for the financial year 2017-2018. The Company needs to focus in this segment as the demand of OFC is likely to rise at a rapid pace in future.

### JELLY FILLED TELEPHONE CABLES (JFTC)

The Company sold Jelly Filled Telephone Cables amounting to ₹ 2.88 Cr against ₹ 50.28 Cr in the previous year.

Jelly Filled Telephone Cables segment comprises about 1% of Company's turnover for FY 2017-18.

### COMPETITIVE BUSINESS STRATEGY & OUTLOOK

Paramount is recognized for the quality of its products and the Company's research team constantly focuses on developing and maintaining high quality and innovative cables to meet customer requirements. The Company is poised for a robust growth on account of the following aspects:

- Paramount stands amongst the very few companies with the widest spectrum of cables and wires serving virtually to all the industrial sectors of the country, which includes an unparalleled presence in three of the five core infrastructure sectors.
- Its de-risked and diversified business model enhances its revenue generating capacity from multiple sectors.
- Paramount's balance sheet health, after undergoing corporate debt restructuring and FCCB conversion into equity, has significantly improved. Its debts are now under control, average debt cost has significantly gone down and net worth has turned positive. This will enable the Company to reduce costs and participate in more orders.
- Apart from having a distinguished clientele across major infrastructural sectors including Power, Telecom, Real Estate, Railways and Domestic Building Wires, the Company is an approved supplier of cables to the Government, Public Sector Enterprises and Major Private Players. Consequently, it derives its major revenue from Government and institutional sales.
- Paramount is known to deliver the best possible quality of cables and its research team is passionately engaged to deliver tailor-made and distinctive quality cables to the satisfaction of its customers.

- Paramount's products meet the technological parameters and specifications of national and international agencies. They also hold maximum accreditations and prestigious approvals from its clients and globally acknowledged bodies.

### FINANCIAL PERFORMANCE

The Gross Turnover (Standalone) including other income of the Company is ₹ 439.18 Cr for the year ended 31<sup>st</sup> March 2018 as compared to ₹ 354.32 Cr during the previous year. The Company has achieved a Net Profit including other comprehensive Income of ₹ 14.64 Cr as against a Net Profit including other comprehensive Income of ₹ 14.43 Cr during the previous year.

Total financial costs during the year have decreased to ₹ 4.48 Cr as against ₹ 19.58 Cr during the previous year.

The Consolidated gross turnover including other income of the Company is ₹ 439.18 Cr for the year ended 31<sup>st</sup> March 2018 as compared to ₹ 354.32 Cr during the previous year. The Company has achieved a Net Profit including other comprehensive Income of ₹ 14.64 Cr as against a Net Profit including other comprehensive Income of ₹ 14.34 Cr during the previous year.

### RISK MANAGEMENT

#### BUSINESS RISK

The demand for optical fiber cables is increasing exponentially at a global level. This has resulted in its shortage worldwide. Nevertheless, the Company has secured long-term contracts with fiber manufacturers to derisk itself from supply crisis.

#### TECHNOLOGY RISK

The basic technology for the manufacture of cables has not undergone any significant change. However, continuous technological improvements intend to improvise the product performance. The Company keeps a track of the latest global trends in the cable industry. The in-house process control systems of the Company are run by committed quality assurance experts to ensure providing of quality cabling solutions to its customers.

#### FINANCIAL RISK

The Company has an adequate system in place to control the financial risks and monitor the inventory levels in order to reduce the adverse impact of unanticipated price fluctuations.

#### FOREIGN EXCHANGE FLUCTUATION RISK

As the Company imports raw materials and exports finished goods, any significant fluctuations in exchange rate may adversely impact profitability. A significant portion of the Company's revenue comes from exports. Hence, it follows the practice of regularly tracking the currency movements

and undertakes adequate hedging to minimize the impact of exchange rate fluctuations.

#### **COMPETITION RISK**

Owing to the huge growth potential of the electrical industry, the Company faces stiff competition from large organized players entering the market. However, the Company strongly believes in transforming challenges into opportunities. Backed by its strong Research and Development team and operational efficiencies, the Company constantly endeavors to offer right quality at right prices.

#### **INFORMATION TECHNOLOGY**

Paramount operates into dynamic information technology. The Company has a sizeable team of Information technology to evaluate technological developments on a continuous basis and keep the organization updated. The Company has all high-end softwares to cater to the requirements of existing business as well as new products, services, designs, frameworks, processes and methodologies. This allows the Company to serve its users in innovated ways and provide satisfaction and convenience to the users and customers. The Company believes in the investment on technology development and has immensely benefited from it.

#### **HUMAN RESOURCES**

Human Resources are the most vital assets of the Company, holding the key to the success. The Company strives to maintain a harmonious and stimulating work environment to maximize the productivity of its workforce. The organizational culture is designed to encourage constant growth and improvement. Moreover, the employees are provided constant training, in the form of quality and production workshops to ensure that they are updated with the latest skills and knowledge. The Company has low labor turnover and has an adequate system to reward and recognize employee contribution to the Company's success and growth.

#### **INTERNAL CONTROL SYSTEM**

The Internal Control system and procedures of the Company are commensurate to the size and nature of its business. This internal control mechanism ensures efficient use of resources, safeguarding of assets, compliance with applicable laws and statutes and accuracy and promptness of transaction reporting. The Company has a well-defined organizational structure, well documented policies, guidelines and clearly defined authority levels. The Audit Committee of the Board considers and reviews the findings of the Internal Audit covering operational, financial and other areas on a periodic basis and provides corrective actions on strengthening the internal control framework.

# Directors' Report

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

Your directors hereby present the 24<sup>th</sup> Annual Report along with audited statement of accounts of the Company for the year ended 31<sup>st</sup> March, 2018.

## 1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2018 is summarised below:

(₹ in Lakhs)		
Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Total Revenue including Other Income</b>	43,918	35,432
Less: Excise Duty	918	3,445
<b>Net Revenue including Other Income</b>	<b>43,000</b>	<b>31,986</b>
<b>Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items</b>	<b>107</b>	<b>(4,395)</b>
Interest	415	1,903
Depreciation & Amortisation of FCMITDA	923	969
Profit/(Loss) before Tax and Exceptional Items	(1,231)	(7,267)
Exceptional Items	2,700	8,739
Tax Expenses	-	-
<b>Profit/(Loss) after Tax and Exceptional Items</b>	<b>1,469</b>	<b>1,472</b>
Other Comprehensive Income	(6)	(29)
<b>Total Net Profit/(Loss) for the year including other Comprehensive Income</b>	<b>1,464</b>	<b>1,443</b>

During the financial year ended 31<sup>st</sup> March 2018, your Company recorded total revenue of ₹ 439.18 Crore as compared to the total revenue of ₹ 354.32 Crore recorded during the previous financial year ended 31<sup>st</sup> March 2017. Net Revenue from operations for the year ended 31<sup>st</sup> March 2018 has increased by about 34% over the corresponding period last year. The total Net Profit including other comprehensive Income of the Company for the financial year ended 31<sup>st</sup> March 2018, ₹ 14.64 Crore as against ₹ 14.43 Crore during previous year 2016-2017. Details of the Exceptional Items have been mentioned in Notes to the Financial Statements in this Annual Report.

## 2. DIVIDEND

Your directors do not recommend declaration of any dividend for the FY 2017-18.

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

As a result of concerted and constant efforts of the promoters to revive and rehabilitate the Company, the Company has been able to settle majority of its secured creditors, viz. State Bank of India, State Bank of Patiala, IDBI Bank and Dena Bank, who have assigned their debts to an Asset Reconstruction Company(ARC) i.e. Invent Assets Securitisation and Reconstruction Private Limited. Further, the Company has reached settlement with ARC and the settled amount is to be repaid in a phased manner. The Company has entered into a One-Time Settlement with Standard Chartered Bank and the amount thereof has been duly paid.



The Company has also arrived at a settlement with its unsecured creditors viz. US\$ 7.5 Million Outstanding FCCB holders, and the outstanding bondholders have agreed to accept 7921 Equity Shares per Outstanding Bond, in lieu of dues payable to them. Consequently, during the financial year 2018-19, 11881500 Equity Shares of ₹2/- each, have been issued at a premium, at a price of ₹28.40/- per Equity Share, in accordance with the agreed terms.

Further, the Non-Convertible Redeemable Preference Shares (NCRPS), which were redeemable in the year 2023, were redeemed by the Company during the financial year 2017-2018, by way of fresh issue of Equity Shares of ₹2/- each, at a price of ₹5.25/- per share. This has resulted in improving the net worth of the Company on long term basis, as the obligation for repayment on redemption of preference shares has ceased. Accordingly, 17669000 Equity Shares of ₹2/- each, ranking pari-passu with the existing Equity Shares of the Company were issued to the holders of NCRPS.

Keeping in view the aforesaid settlement and the current position of the Company, the management expects a turn-around in the operations of the Company. The net worth of the company has already turned positive during the year under review.

Further, during the financial year 2018-2019, the Promoters and other persons/entities forming part of the Promoter group have infused funds amounting to ₹25.94 Crore for strengthening the financial position of the Company, by way of issue of 17000000 Equity Shares on preferential basis.

#### 4. 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 Power and Railways are also 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 cable industry. The Company's focus in future, shall be to sustain and increase the momentum in its business segments namely, Optical Fibre Cables, Power Cables and Railway Signalling Cables etc. by leveraging its inherent strength of product development as per evolving industrial standards and superior project execution capabilities to drive both the short term and long term growth.

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.

#### 5. TRANSFER TO RESERVES

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

#### 6. PUBLIC DEPOSITS

During the FY 2017-18, 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.

#### 7. 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.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sandeep Aggarwal (DIN 00002646), 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 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.

#### 8. 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 Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 9. 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, 2018, 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, 2018 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.

## 10. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formed a policy to carry out 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 Grievance Committee, Risk Management Committee and Share Transfer & Transmission Committee.

## 11. 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.

## 12. 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. There has been no change in the Key Managerial Personnel of the company, during the year under review.

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

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

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

During the year, 8 (Eight) Board Meetings and 5 (Five) 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.

## 15. AUDITORS

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

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

## 16. AUDITORS REPORT-CLARIFICATIONS AND EXPLANATIONS

There is no qualification, reservation or adverse remark made by the Auditor in his Reports to the Financial

Statements (both Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March, 2018.

## 17. COST AUDITORS

As per Section 148 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. Jain Sharma & Associates, Cost Accountants as the Cost Auditor of the Company for the FY 2018-19 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, would be ₹50,000/- (Rupees Fifty Thousand only) and out of pocket expenses, plus taxes. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

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

## 18. 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, were appointed as the Secretarial Auditor of the Company for the FY 2017-18 to undertake the Secretarial Audit of the Company. The Secretarial Audit report for FY 2017-18 forms an integral part of this Annual Report as "Annexure-B" to the Board's Report.

## 19. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

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

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

### Note:

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

The Consolidated financials include un-audited financials of Paramount Holdings Limited, Cyprus and un-audited financials of AEI Power Cables Ltd., United Kingdom for the year ended 31<sup>st</sup> March, 2018.

The Company does not have any Joint Venture with any other Company or any Associate Company in India or abroad.

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

As stated above in this Report, due to concerted and constant efforts of the promoters to revive and rehabilitate the Company, the Company has been able to settle majority of its creditors - both secured and unsecured. The Company has arrived into a settlement with its unsecured creditors viz. US\$ 7.5 Million Outstanding FCCB holders, and the Company has agreed to offer 7921 Equity Shares of the Company for each outstanding Bond.

The liability of repayment to Non-Convertible Redeemable Preference Shares (NCRPS), which were redeemable in the year 2023, was also extinguished during the financial year 2017-2018, by way of fresh issue of Equity Shares of ₹ 2/- each.

The Promoters and other persons/entities forming part of the Promoter group have infused funds amounting to ₹25.94 Crore in the financial year 2018-2019.

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

All the aforesaid has resulted in substantial reduction in financial commitments of the Company to a considerable extent, and the remaining debt/financial commitment are within manageable level of the Company. Keeping in view

the aforesaid settlement and the current position of the Company, the management expects a turn-around in the operations of the Company.

## 21. 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 R&D activities are directed to achieve the aforesaid goal.

## 22. ISO CERTIFICATION

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

## 23. 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.

## 24. 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 2017-2018, 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.

## 25. 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.

## 26. 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.

## 27. 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.

## 28. PREVENTION OF SEXUAL HARASSMENT

As part of the legal responsibility and zero tolerance towards sexual harassment at the workplace, a policy for prevention of Sexual Harassment has been adopted by the Company.

## 29. 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”.

### 30. 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.

### 31. 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.

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

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

### 33. 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).

### 34. INSURANCE

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

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

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

### 36. LISTING OF SHARES

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

### 37. INDUSTRIAL RELATIONS

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

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

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

### 38. 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.

### 39. 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.

### 40. ACKNOWLEDGEMENT AND APPRECIATION

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

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

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 4<sup>th</sup> August, 2018**

**(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, 2018.

### **A. CONSERVATION OF ENERGY:**

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

### **B. TECHNOLOGY ABSORPTION:**

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

R&D expenditure has not been accounted for separately.

#### **II. Technology Absorption, Adaptation and Innovation**

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

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

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

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

#### **III. Foreign Exchange Earnings and Outgo**

Total Foreign exchange used and earned

Earnings : ₹ 18.38 Cr

Outgo : ₹ 17.06 Cr

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 4<sup>th</sup> August, 2018**

**(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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (₹ in Lakh)	% increase in Remuneration in the FY 2017-18	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Sanjay Aggarwal (Whole Time Director)	49.36	2%	13.41
2.	Mr. Sandeep Aggarwal (Managing Director)	48.67	3%	13.23
3.	Mr. Shambhu Kumar Aggarwal (Chief Financial Officer)	24.80	12%	6.74
4.	Ms. Tannu Sharma (Company Secretary)	6.75	15%	1.83

- B. There were 289 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2018.
- C. The explanation on the relationship between average increase in remuneration and Company performance: *The Key Performance Indicators (KPI) are set for each year with the main focus on Order Bookings, Revenues, Profits, etc. which are keenly monitored and measured against the set targets.*
- D. Average percentage increase in the salaries of employees other than managerial personnel in the FY 2017-18 was approximately 10%.
- E. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee.
- F. The ratio of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: *The Chairman & CEO is the highest paid Director. No employee received remuneration higher than the Chairman & CEO.*
- G. It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2018 is as per the Remuneration Policy of the Company.

**Annexure B****Secretarial Audit Report****(For the financial year ended 31<sup>st</sup> March, 2018)**

[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 covering the financial year ended 31<sup>st</sup> March, 2018, 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, 2018 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *it may be noted that during the year under review there was no Foreign Direct Investment, overseas Direct Investment and External Commercial borrowings.*
- V. 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, 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;
  - 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 (except Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as there was a delay in filing of Un-audited Financial Results of the Company for the Quarter ended September 30, 2017 with the Stock Exchanges i.e. The BSE 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:**

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. 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.

**3. 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.**

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.
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 23 <sup>rd</sup> Annual General Meeting held on 17 <sup>th</sup> August 2017;	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
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



S. No.	Description	Observation
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;	Not Applicable during the period under review
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 III 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

4. **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. No changes in the composition of the Board of Directors took place during the period under review.
- 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 to all directors, 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) As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- 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 (except the penalty levied for delay in submission of unaudited financial Results for the quarter and half year ended 30<sup>th</sup> September, 2017 under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which was duly paid by the Company.

- 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.

5. 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.
6. I 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.
7. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

8. **We further report that:**

- a. the Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 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;

9. **We further report that:**

During the audit period the Company has:

- a) Redeemed 765,000 Non-Convertible Redeemable Preference Shares of face value ₹ 100 per share ('NCRPS') at a price of ₹ 121.25 per NCRPS (including premium) out of fresh issue of equity shares of the Company.
- b) Issued and allotted 17669000 equity shares of the Company of face value ₹ 2 each ('Equity Shares') to the existing NCRPS holders.

10. **We 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:
  - i) Factories Act, 1948
  - ii) Pollution laws including Environment Protection Act and rules made thereunder.
  - iii) Labour laws
  - iv) 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) Some of the Banks have assigned and transferred their debts to an Asset Reconstruction Company (ARC). As per the terms settled with the ARC, the amount is to be repaid in installments in a phased manner.

d) **Legal Cases**

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

S. No.	Name of case	Court	Amount involved (₹ in Lakh)	Status
1.	PCL Vs. Mass Media	High Court, New Delhi	35.98	The Company is hopeful to get favourable orders.
2.	PCL Vs. Oriental Containers Ltd.	City Court, Mumbai	28.40	The Company is hopeful to get favourable orders.
3.	PCL vs. Aar Vee Controls Private Limited	Patiala House, New Delhi	10.68	The matter is pending before the Court.
4.	PCL Vs. Base Corporation Limited	Civil Judge, Solan, Himachal Pradesh	7.94	The matter is pending before the Court.

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

**Place: New Delhi**  
**Date: 04.08.2018**

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

**Annexure C****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, 2018, 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, 2018 are as follows:

Name of Related Party	Nature of Relationship	Duration of Contracts/ Arrangements/Transactions	Salient terms	Amount (₹ in Lakh)
<b>Rent Paid</b>				
Paramount Telecables Limited	Common Control	1 <sup>st</sup> April, 2017- 31 <sup>st</sup> March, 2018	As per the Agreement	207.18

**Annexure D****Form MGT-9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2018

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	L74899DL1994PLC061295
ii)	Registration Date:	5 <sup>th</sup> September, 1994
iii)	Name of the Company:	Paramount Communications Limited
iv)	Category/Sub-Category of the Company:	Company Limited by Shares
v)	Address of the Registered office and contact details:	C-125, Naraina Industrial Area, Phase-1, Naraina, New Delhi-110028 Tel No.:011-45618800 E-mail: <a href="mailto:pcl@paramountcables.com">pcl@paramountcables.com</a>
vi)	Whether listed company:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited 44, IInd 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 are as follows:-

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

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

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

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**
**i) Category-wise Share Holding**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/HUF	22244796	-	22244796	17.76	34600796	-	34600796	24.21	6.45
b)	Central Government	-	-	-	-	-	-	-	-	NIL
c)	State Government	-	-	-	-	-	-	-	-	NIL
d)	Bodies Corporate	42344802	-	42344802	33.81	45809802	-	45809802	32.06	-1.76
e)	Banks/FI	-	-	-	-	-	-	-	-	NIL
f)	Any Other....	-	-	-	-	-	-	-	-	NIL
	Sub-Total (A) (1)	64589598	-	64589598	51.58	80410598	-	80410598	56.27	4.69
(2) Foreign										
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	NIL
b)	Other-Individuals	-	-	-	-	-	-	-	-	NIL
c)	Bodies Corporate	-	-	-	-	-	-	-	-	NIL
d)	Banks/FI	-	-	-	-	-	-	-	-	NIL
e)	Any Other....	-	-	-	-	-	-	-	-	NIL
	Sub-Total (A) (2)	-	-	-	-	-	-	-	-	NIL
	Total shareholding of Promoter (A)=(A) (1)+(A)(2)	64589598	-	64589598	51.58	80410598	-	80410598	56.27	4.69
A. Public Shareholding										
1. Institutions										
a)	Mutual Funds	-	-	-	-	-	-	-	-	NIL
b)	Banks/FI	900000	-	900000	0.72	6400	-	6400	0.00	-0.71
c)	Central Government	-	-	-	-	-	-	-	-	NIL
d)	State Government	-	-	-	-	-	-	-	-	NIL
e)	Venture Capital Fund	-	-	-	-	-	-	-	-	NIL
f)	Insurance Companies	-	-	-	-	-	-	-	-	NIL
g)	FIs	100000	-	100000	0.08	261385	-	261385	0.18	0.10
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	NIL
i)	Others	-	-	-	-	-	-	-	-	NIL
	Sub-Total (B) (1)	1000000	-	1000000	0.80	267785	-	267785	0.19	-0.61
2. Non-Institutions										
a)	Bodies Corporate									
i)	Indian	14837630	15805	14853435	11.86	15098061	15805	15113866	10.58	-1.28
i)	Overseas	89250	-	89250	0.07	89250	-	89250	0.06	-0.01
b)	Individuals									
	1. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	25205543	1190644	26396187	21.08	25620358	1182744	26803102	18.76	-2.32
	2. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	13795981	-	13795981	11.02	18956858	-	18956858	13.27	2.25
a)	Others (NRI Non Repat)	125881	-	125881	0.10	87143	-	87143	0.06	-0.04
i)	Trusts	1747	-	1747	0.00	1747	-	1747	0.00	



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
ii) Non-Resident Indians	464316	-	464316	0.37	367154	-	367154	0.26	-0.11
iii) Clearing Members	758042	-	758042	0.61	1026213	-	1026213	0.72	0.11
iv) Hindu Undivided Family	3159028	-	3159028	2.52	4203079	-	4203079	2.94	0.42
<b>Sub-Total (B) (2)</b>	<b>58437418</b>	<b>1206449</b>	<b>59643867</b>	<b>47.63</b>	<b>65449863</b>	<b>1198549</b>	<b>66648412</b>	<b>46.64</b>	<b>-0.99</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>59437418</b>	<b>1206449</b>	<b>60643867</b>	<b>48.42</b>	<b>65717648</b>	<b>1198549</b>	<b>66916197</b>	<b>46.83</b>	<b>-1.60</b>
A. Shares held by Custodian for GDRs & ADRs	0	-	0	0.00	0	-	0	-	Nil
<b>Grand Total (A+B+C)</b>	<b>124027016</b>	<b>1206449</b>	<b>125233465</b>	<b>100.00</b>	<b>141703916</b>	<b>1198549</b>	<b>142902465</b>	<b>100.00</b>	

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Sanjay Aggarwal	5826100	4.65	4.65	5826100	4.07	0	-0.58
2.	Sandeep Aggarwal	5732300	4.58	4.58	5732300	4.01	0	-0.57
3.	Kamla Aggarwal	2903600	2.32	2.32	2903600	2.03	0	-0.29
4.	Kamla Aggarwal	2828000	2.26	2.26	2828000	1.98	0	-0.28
5.	Shyam Sunder Aggarwal (HUF)	42000	0.03	0.03	42000	0.02	0	-0.01
6.	Sanjay Aggarwal (HUF)	700000	0.56	0.56	700000	0.48	0	-0.08
7.	Sandeep Aggarwal (HUF)	325000	0.26	0.26	325000	0.22	0	-0.03
8.	Shashi Aggarwal Jtly with Archana Aggarwal	1900000	1.52	1.52	1900000	1.33	0	-0.19
9.	Shashi Aggarwal	409800	0.33	0.33	6587800	4.60	0	4.27
10.	Archana Aggarwal	417855	0.33	0.33	6595855	4.61	0	4.28
11.	Parul Aggarwal	337766	0.27	0.27	337766	0.23	0	-0.04
12.	Tushar Aggarwal	274125	0.22	0.22	274125	0.19	0	-0.02
13.	Dhruv Aggarwal	274125	0.22	0.22	274125	0.19	0	-0.02
14.	Parth Aggarwal	274125	0.22	0.22	274125	0.19	0	-0.02
15.	April Investment and Finance Pvt. Ltd.	13040172	10.41	10.41	13040172	9.12	0	-1.29
16.	Worth Finance and Leasing Pvt. Ltd.	4424330	3.53	3.53	4424330	3.09	0	-0.44
17.	Ekta Ayat Niryat Pvt. Ltd.	10750	0.01	0.01	10750	0.01	0	NIL
18.	Hertz Electricals (International) Pvt. Ltd.	18050	0.01	0.01	18050	0.01	0	NIL
19.	Paramount Telecabes Ltd.	24851500	19.84	19.84	28316500	19.81	0	-0.03
<b>Total</b>		<b>64589598</b>	<b>51.58</b>	<b>51.58</b>	<b>80410598</b>	<b>56.26</b>	<b>0</b>	<b>4.68</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
<b>At the beginning of the year</b>	<b>64589598</b>	<b>51.58</b>	<b>80410598</b>	<b>56.26</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	<b>Increase in shares by allotment of 15,82,100 Equity Shares to Mrs. Shashi Aggarwal, Mrs. Archana Aggarwal and Paramount Telecables Limited on 7<sup>th</sup> November, 2018.</b>			
<b>At the end of the year</b>	<b>80410598</b>	<b>56.26</b>	<b>80410598</b>	<b>56.26</b>

## 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.	Darpan Jain	3331156	2.66	5242840	3.66
2.	Mahesh Chand Goyal	1454788	1.16	3374580	2.36
3.	Life Secured. Com Pvt. Ltd.	3375000	2.70	2093011	1.46
4.	Ashish Bharatkumar Shah	0	0	999000	0.70
5.	Ratnamani Food Products Pvt. Ltd.	905500	0.72	905500	0.63
6.	Premier Capital And Securities Pvt. Ltd	0	0	850000	0.59
7.	Murline Enterprises Private Limited	1082855	0.86	830000	0.58
8.	Sanjay Bansal	607564	0.48	786673	0.55
9.	Him Realty Private Limited	752631	0.60	752631	0.52
10.	Naresh Kumar Gupta	403700	0.32	653700	0.45
11.	Luke Securities Pvt Ltd	1227883	0.98	0	0
12.	Pick Up Electronics Pvt Ltd	1110958	0.79	0	0

## 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	4.07
2.	Sandeep Aggarwal	5732300	4.58	5732300	4.01
<b>Total</b>		<b>11558400</b>	<b>9.23</b>	<b>11558400</b>	<b>8.08</b>

**V. INDEBTEDNESS**

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	20,815.73	7,357.16	-	28,172.89
Interest due but not paid	280.39	366.12	-	646.51
Interest accrued but not due	8.65	14.92	-	23.57
<b>Total (i+ii+iii)</b>	<b>21,104.77</b>	<b>7,738.20</b>	<b>-</b>	<b>28,842.97</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	914.65	-	914.65
Reduction	1,668.04	7,738.20	-	9,406.24
<b>Net Change</b>	<b>(1,668.04)</b>	<b>(6,823.55)</b>	<b>-</b>	<b>(8,491.59)</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	19,382.50	914.65	-	20,297.15
Interest due but not paid	37.68	-	-	37.68
Interest accrued but not due	16.55	-	-	16.55
<b>Total (i+ii+iii)</b>	<b>19,436.73</b>	<b>914.65</b>	<b>-</b>	<b>20,351.38</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Directors and/or Manager:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Sanjay Aggarwal (Whole Time Director)	Mr. Sandeep Aggarwal (Managing Director)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39.75	39.75	79.50
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	2.93	2.24	5.16
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- As % of profit			
	- Other, specify....	0	0	0
5.	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>42.68</b>	<b>41.99</b>	<b>84.66</b>

**B. Remuneration to other directors:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S.P.S. Dangi	Mr. Satya Pal	Mr. Vijay Bhushan	Mrs. Malini Gupta	
<b>1. Independent Directors</b>						
	Fees for attending board/ committee meetings	3.75	3.75	4.25	2.00	13.75
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>3.75</b>	<b>3.75</b>	<b>4.25</b>	<b>2.00</b>	<b>13.75</b>
<b>2. Other Non-Executive Directors</b>						
	Fees for attending board/ committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Other, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>3.75</b>	<b>3.75</b>	<b>4.25</b>	<b>2.00</b>	<b>13.75</b>

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Shambhu Kumar Agarwal (Chief Financial Officer)	Ms. Tannu Sharma (Company Secretary)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12.01	3.06	15.07
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	12.30	2.32	14.62
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- As % of profit			
	- Others, specify	0	0	0
5.	Others, please specify	0	0	0
	<b>Total</b>	<b>24.32</b>	<b>5.38</b>	<b>29.69</b>

**VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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				

# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The principles of good Corporate Governance are paramount at "Paramount". Your Company is conscious of the fact that success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in conducting the affairs of the Company. In addition to compliance with regulatory requirements, your Company endeavors 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. 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,

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

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

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 whatsoever.

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. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies. In terms of the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume and the profile of director seeking appointment/reappointment is annexed with the Notice for the ensuing Annual General Meeting.



- Directors' attendance record and Directorships held**

During the financial year ended on 31<sup>st</sup> March, 2018, 8 (Eight) 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.	29 <sup>th</sup> May, 2017	6	6	4
2.	30 <sup>th</sup> June, 2017	6	5	4
3.	14 <sup>th</sup> July, 2017	6	6	4
4.	14 <sup>th</sup> September, 2017	6	5	3
5.	7 <sup>th</sup> November, 2017	6	5	4
6.	30 <sup>th</sup> December, 2017	6	6	4
7.	8 <sup>th</sup> February, 2018	6	6	4
8.	8 <sup>th</sup> March, 2018	6	6	4

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM) held on 17<sup>th</sup> August, 2017, along with the number of other Directorships/Committee positions held by them in other Indian Public Limited companies during the year, are as follows:

Name of the Director	Board meetings attended during FY 2017-18	Attendance at the last AGM	No. of Directorships held in other companies*	Committee position held in other companies**	
				Chairperson	Member
Mr. Sanjay Aggarwal	8	Yes	0	0	0
Mr. Sandeep Aggarwal	6	Yes	0	0	0
Mr. S.P.S. Dangi	8	Yes	0	0	0
Mr. Satya Pal	8	Yes	0	0	0
Mr. Vijay Bhushan	8	No	5	1	2
Mrs. Malini Gupta	7	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/she serves as a director.

- Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2017-2018:**

Aggregate value of salary, perquisites and commission paid during the financial year 2017-18 to the executive directors (Key Managerial Personnel) are as follows:-

(Amount in ₹)

Name	Salary, perquisites and defined benefit plan	Company's Contribution to P.F.	Sitting Fees	Total
Mr. Sanjay Aggarwal	4,458,969	477,000	Nil	4,935,969
Mr. Sandeep Aggarwal	4,389,819	477,000	Nil	4,866,819

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 three years w.e.f. 1<sup>st</sup> March, 2018 has been made at a remuneration of ₹ 4,96,000/- (Rupees Four Lakh Ninety Six Thousand Only) per month. The said appointment has been duly approved by the members of the Company vide the resolution passed by means of Postal Ballot (including E-voting) on 20<sup>th</sup> April, 2018.

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

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

The details of sitting fee paid to the directors for attending the Board and Committee meetings for the year ended 31<sup>st</sup> March, 2018 are as follows:

(Amount in ₹)

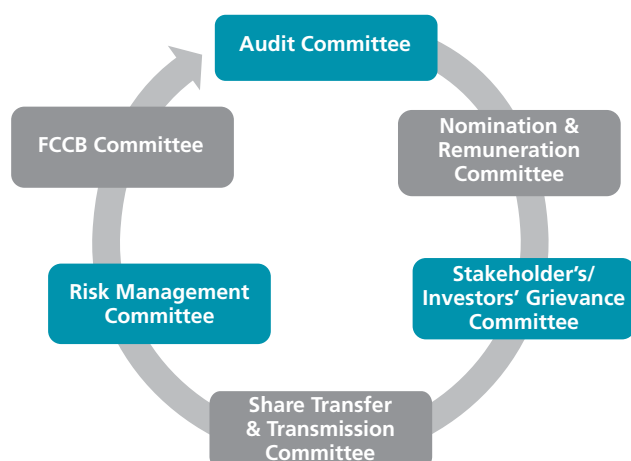
Name of the Director	Sitting Fee paid
1. Mr. S.P.S Dangi	375,000
2. Mr. Satya Pal	375,000
3. Mr. Vijay Bhushan	425,000
4. Mrs. Malini Gupta	200,000

### • 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, 2018. 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 six Committees to discharge its responsibilities in an effective manner, and they meet as often as required. These committees are as follows –



The role and composition of the above committees, including the number of meetings held during the financial year ended on 31<sup>st</sup> March, 2018, and attendance of Directors thereat, are given hereunder.

### (a) AUDIT COMMITTEE

#### Qualified and Independent Audit Committee

The Board has constituted an Audit Committee, comprising of three independent non-executive directors. All members of the Audit Committee possess financial and accounting expertise and exposure. Mr. S. P. S. Dangi - Chairman of the Committee is a well known Finance & Management Consultant. He is a fellow member of the Institute of Cost Accountants of India (ICMAI) and has expertise in accounting & finance matters. Mr. S.P.S. Dangi was present at the last Annual General Meeting of the Company held on 17<sup>th</sup> August, 2017. 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	05
Mr. Satya Pal	Non-executive Independent Director	05
Mr. Vijay Bhushan	Non-executive Independent Director	05

#### Meetings of Audit Committee held during the FY 2017-18.

During the financial year ended on 31<sup>st</sup> March, 2018, five 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				
		29 <sup>th</sup> May, 2017	30 <sup>th</sup> June, 2017	14 <sup>th</sup> September 2017	30 <sup>th</sup> December, 2017	8 <sup>th</sup> February, 2018
Mr. S. P. S. Dangi	Chairman	√	√	√	√	√
Mr. Satya Pal	Member	√	√	√	√	√
Mr. Vijay Bhushan	Member	√	√	√	√	√

Proper quorum was present at the afore mentioned meetings of the Audit Committee.

All the aforesaid Audit Committee meetings were also attended by the Statutory Auditors of the Company.

### 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 in consonance with Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Section 177 of the Companies Act, 2013.

### Review of information by Audit Committee

The audit committee reviews the following information:

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) STAKEHOLDERS' RELATIONSHIP/INVESTOR'S GRIEVANCE COMMITTEE

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

The Committee, inter alia, overlooks:

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

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

### Meetings

During the financial year ended on 31<sup>st</sup> March, 2018, one meeting of the Stakeholders' Relationship/Investors' Grievance Committee was held. The composition of Stakeholders' Relationship/Investors' Grievance Committee and attendance of Directors at the above meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meeting
29 <sup>th</sup> May, 2017		
Mr. Vijay Bhushan	Chairman	√
Mr. Sanjay Aggarwal	Member	√
Mr. Sandeep Aggarwal	Member	√

No investor complaints were received during the year under review. The requests for change of address and transmission of shares were received during the year, and both were replied to the satisfaction of the shareholders. There were no outstanding complaints/requests as on 31.03.2018.

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

### (c) NOMINATION & REMUNERATION COMMITTEE

The Board has constituted a Nomination & Remuneration Committee, comprising of three independent non-executive directors viz. Mr. Satya Pal - Chairman of the Committee, Mr. S.P.S. Dangi and Mr. Vijay Bhushan. Meeting of the Nomination & Remuneration Committee are held as and when required to fix, review/revise or modify the remuneration of the executive directors. Mr. Satya Pal was present at the last Annual General Meeting of the Company held on 17<sup>th</sup> August, 2017. 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 meeting
8 <sup>th</sup> February, 2018		
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

The Nomination and Remuneration Committee has formed a policy to carry out performance evaluation of the performance of the Board and the directors individually, as well as the evaluation of the working of all the Committees.

#### (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, 2018, the committee met once to approve one request received from the shareholder relating to transmission of shares. The details of the meeting are as follows:

Name of the Director	Position in the Committee	Presence of directors at the meeting 8 <sup>th</sup> February, 2018
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

There were no outstanding complaints/requests and no transfer was pending as on 31<sup>st</sup> March, 2018.

#### (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 meeting 8 <sup>th</sup> February, 2018
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

#### f) FCCB COMMITTEE

The FCCB Committee was constituted by the Board of Directors in the Board Meeting held on 30<sup>th</sup> December, 2018, to analyze/monitor the status of US\$7.5 Million FCCBs and to take necessary steps in order to settle the Outstanding FCCB holders and take all necessary action as may be ancillary or incidental thereto. The committee consists of Mr. Sanjay Aggarwal, Mr. Sandeep Aggarwal and Mr. Vijay Bhushan. Ms. Tannu Sharma acts as the Secretary to the Committee.

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

Name of the Director	Position in the Committee	Presence of directors at the meeting 8 <sup>th</sup> February, 2018
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√
Mr. Vijay Bhushan	Member	√

#### g) MEETING OF INDEPENDENT DIRECTORS

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

Name of the Director	Presence of directors at the meeting 8 <sup>th</sup> February, 2018
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	17 <sup>th</sup> August, 2017 at 11.00. A.M	27 <sup>th</sup> September, 2016 at 11.30. A.M	24 <sup>th</sup> September, 2015 at 11.30. A.M
Financial year	2016-2017	2015-2016	2014-2015
Venue	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.
Special Resolution(s) Passed	<p>Redemption of 765,000 Non-convertible Redeemable Preference Shares of face value ₹ 100/- ("NCRPS") at a price of ₹ 121.25 per NCRPS (including a premium of ₹ 21.25/- per NCRPS) out of the fresh issue of 17,669,000 Equity Shares of the Company of face value ₹ 2/- each at a price of ₹ 5.25/- by way of preferential allotment to the holders of NCRPS</p> <p>Making contribution for bonafide and charitable purposes not exceeding ₹ 25 Lakh in one Financial year;</p> <p>To approve the remuneration of the Cost Auditor for the FY 2017-18.</p>	<p>Making contribution for bonafide and charitable purposes not exceeding ₹ 25 Lakh in one Financial year;</p> <p>To approve related party transaction not exceeding ₹ 200 Cr in one Financial year;</p> <p>To approve the remuneration of the Cost Auditor for the FY 2016-17.</p>	<p>Regularization &amp; Re-appointment of Mrs. Malini Gupta, as an Independent Director in terms of the Companies Act, 2013.</p> <p>Resolution under Section 180(1) (c) of the Companies Act, 2013 to approve the overall borrowing limit upto ₹ 1000 Cr;</p> <p>Resolution under Section 180(1) (a) of the Companies Act, 2013 to approve the overall limit of ₹ 1000 Cr;</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 Lakh in one Financial year;</p> <p>To approve related party transaction not exceeding ₹ 100 Cr in one Financial year;</p> <p>To approve the remuneration of the Cost Auditor for the FY 2015-16.</p>

#### 5. POSTAL BALLOT

During the financial year ended 31<sup>st</sup> March, 2018, 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. transaction of the Company of material nature with its promoters, the directors or the management, subsidiary, or the relatives of the directors, etc. that may have potential conflict with the interest of the Company at large.**

Members may refer to the disclosures of transactions

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

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

- ii. **Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any**

**other statutory authority, on any matter related to the capital markets, during the last three year(s)**

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

**iii. 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://paramountcables.com/wp-content/uploads/2017/09/report-22\\_Whistle-Blower-Policy-Vigil-Mechanism-Policy.pdf](http://paramountcables.com/wp-content/uploads/2017/09/report-22_Whistle-Blower-Policy-Vigil-Mechanism-Policy.pdf)**

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

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

**v. Familiarization Programs**

In order to comply with the provisions of the SEBI regulations, and for the purpose of making the Board familiar with the latest developments in the Corporate laws, or other applicable laws, deliberations were held and presentations were made from time to time on major developments in the areas of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**vi. Related Party Transactions**

All transactions with related parties were in the ordinary course of business and on arm's length pricing basis. The Company has framed and adopted a policy for dealing with Related Party Transactions, in accordance with the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 of the Listing Agreement. The same is available on the Company's website at the following link:

**[http://paramountcables.com/wp-content/uploads/2017/09/report-14\\_PCL\\_Policy-for-dealing-with-Related-Party-Transactions.pdf](http://paramountcables.com/wp-content/uploads/2017/09/report-14_PCL_Policy-for-dealing-with-Related-Party-Transactions.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 adopted IND AS for the financial year beginning on 1<sup>st</sup> April, 2017 with 1<sup>st</sup> April, 2016 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at 1<sup>st</sup> April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101.

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

#### 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. A copy of the Insider Code is available on the website of the Company at the following link:

[http://paramountcables.com/wp-content/uploads/2017/09/report-12\\_Code-on-prevention-of-Insider-Trading.pdf](http://paramountcables.com/wp-content/uploads/2017/09/report-12_Code-on-prevention-of-Insider-Trading.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:

### Financial results

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

### Company's Website

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

### Annual Report

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

### Management Discussion and Analysis

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

### Designated e-mail-id

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

### SCORES

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

## 8. GENERAL SHAREHOLDER INFORMATION

<b>CIN</b>	<b>L74899DL1994PLC061295</b>
<b>Registered Office</b>	<b>C-125, Naraina Industrial Area, Phase-1, New Delhi-110028.</b>
<b>Compliance officer</b>	<b>Ms. Tannu Sharma, Chief Compliance Officer and Company Secretary</b>
<b>Twenty Fourth Annual General Meeting</b>	
• Day, Date & Time:	Friday, the 21 <sup>st</sup> September, 2018 at 11.30 AM
• Venue:	Air Force Auditorium, Subroto Park, New Delhi
<b>Financial Year</b>	1 <sup>st</sup> April of each year to 31 <sup>st</sup> March of the next year
<b>Face Value per Equity share</b>	<b>₹ 2/-</b>
<b>Dividend Payment date</b>	<b>Not Applicable</b>
<b>Book Closure</b>	<b>Saturday, the 15<sup>th</sup> September, 2018 to Friday, the 21<sup>st</sup> September, 2018 (both days inclusive).</b>
<b>ISIN Number</b>	Demat ISIN Number in NSDL and CDSL for Equity Shares is <b>INE074B01023</b>

### • Financial Calendar (Tentative)

Results for quarter ending 30 <sup>th</sup> June, 2018	Mid August, 2018
Results for quarter/ half-year ending 30 <sup>th</sup> September, 2018	Mid November, 2018
Results for quarter ending 31 <sup>st</sup> December, 2018	Mid February, 2019
Results for year ending 31 <sup>st</sup> March, 2019	End May, 2019
Annual General Meeting (i.e., next year)	By September, 2019

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

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

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

\*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.

### • Payment of Listing fee

The annual listing fee for the FY 2018-19 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 2018-2019 has been duly paid by the Company to NSDL and CDSL.

### • Share Transfer System

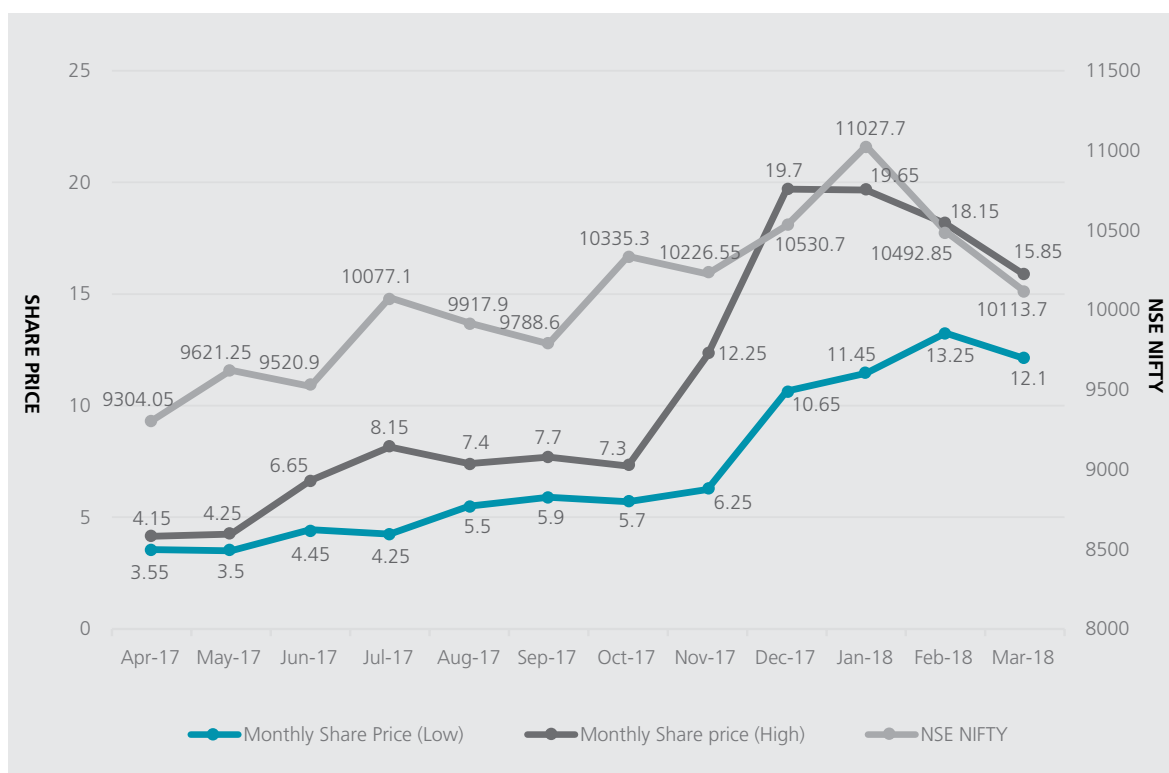
The Company has a sound share transfer process. The Company has appointed M/s Link Intime India Private Limited, as its share transfer agent. After the Share Transfer Agent complete the formalities of transfer/transmission, approval of transfer of shares in the physical form is done by the Share Transfer & 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, 2017 to March, 2018)

Value in ₹

Month	Open Price (O)	High Price (H)	Low Price (L)	Close Price (C)	Spread		NSE NIFTY (closing prices)
					H-L	C-O	
April 2017	3.65	4.15	3.55	3.95	0.60	0.30	9304.05
May 2017	4.05	4.25	3.50	4.25	0.75	0.20	9621.25
June 2017	4.45	6.65	4.45	4.45	2.20	0	9520.90
July 2017	4.45	8.15	4.25	7.05	3.90	0.40	10077.10
August 2017	6.70	7.40	5.50	5.85	1.90	(0.85)	9917.90
September 2017	6.10	7.70	5.90	6.00	1.80	(0.10)	9788.60
October 2017	6.20	7.30	5.70	6.20	1.60	0	10335.30
November 2017	6.35	12.25	6.25	12.25	6.00	5.90	10226.55
December 2017	12.85	19.70	10.65	17.30	9.05	4.45	10530.70
January 2018	16.80	19.65	11.45	13.20	8.20	(3.60)	11027.70
February 2018	13.85	18.15	13.25	13.75	4.90	(0.10)	10492.85
March 2018	14.40	15.85	12.10	13.20	3.75	(1.20)	10113.70

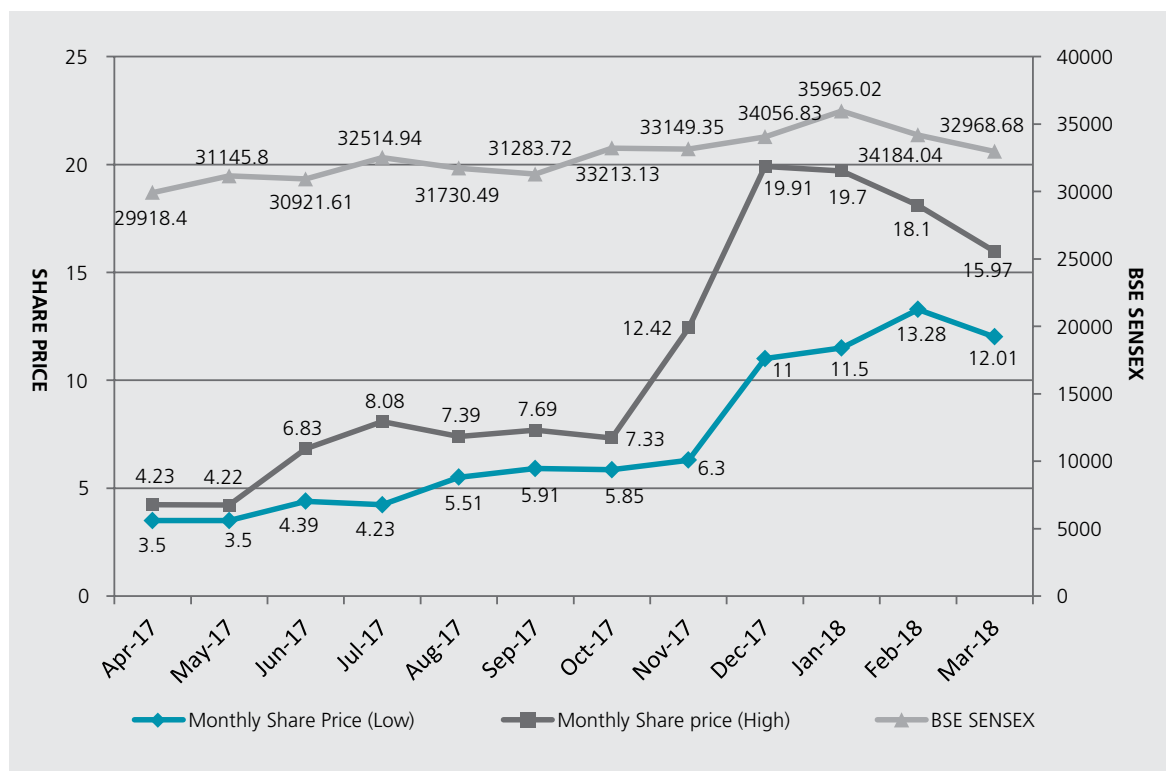


BSE Scrip Code: 530555 (For the period: April, 2017 to March, 2018)

Performance of equity shares in comparison with BSE SENSEX during the Financial Year 2017-18

Value in ₹

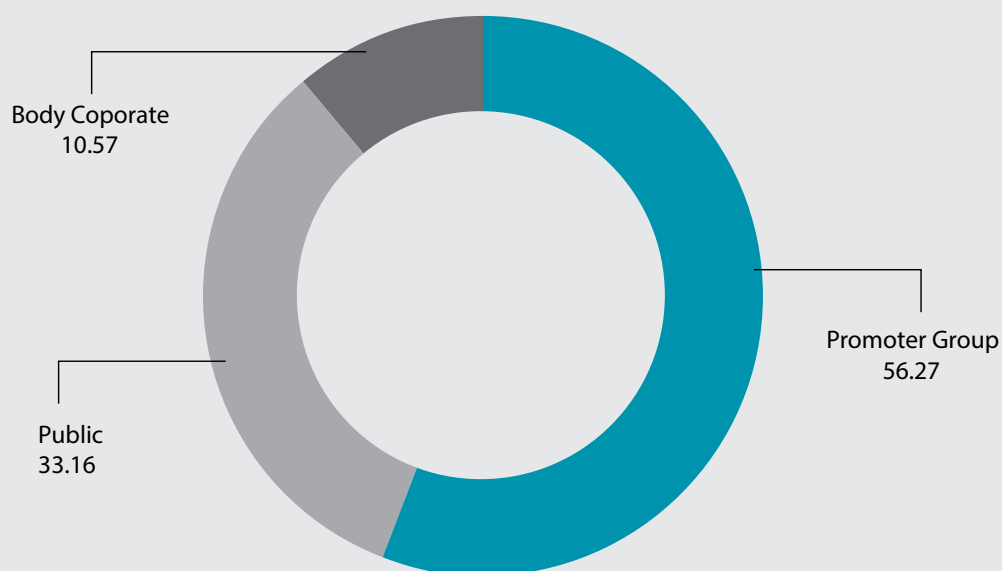
Month	Open Price (O)	High Price (H)	Low Price (L)	Close Price (C)	BSE (Closing Price)	Spread	
						H-L	C-O
April 2017	3.68	4.23	3.5	3.95	29,918.4	0.73	0.27
May 2017	4.00	4.22	3.5	4.22	31,145.8	0.72	0.22
June 2017	4.41	6.83	4.39	4.41	30,921.61	2.44	0
July 2017	4.41	8.08	4.23	6.96	32,514.94	3.85	2.55
August 2017	6.66	7.39	5.51	6.10	31,730.49	1.88	(0.56)
September 2017	6.39	7.69	5.91	6.14	31,283.72	1.78	(0.25)
October 2017	6.35	7.33	5.85	6.33	33,213.13	1.48	(0.02)
November 2017	6.55	12.42	6.3	12.42	33,149.35	6.12	5.87
December 2017	13.04	19.91	11	17.27	34,056.83	8.91	4.23
January 2018	17.50	19.7	11.5	13.30	35,965.02	8.20	(4.20)
February 2018	13.96	18.1	13.28	13.80	34,184.04	4.82	(0.16)
March 2018	14.21	15.97	12.01	13.14	32,968.68	3.96	(1.07)





## Distribution of Shareholding and shareholding Pattern as on 31.03.2018.

Shareholding of shares	No. of Shareholders		No. of Shares held	Amount	
	Number	% to total		In ₹	% to total
Upto 500	18,122	66.23	3,559,891	7,119,782	2.50
501 - 1,000	4261	15.58	3,542,599	7,085,198	2.48
1,001 - 2,000	2203	8.05	3,475,304	6,950,608	2.43
2,001 - 3,000	833	3.05	2,147,467	4,294,934	1.50
3,001 - 4,000	362	1.32	1,316,775	2,633,550	0.92
4,001 - 5,000	406	1.48	1,952,158	3,904,316	1.36
5,001 - 10,000	538	1.97	4,128,026	8,256,052	2.89
10,001 & Above	636	2.32	122,780,245	245,560,490	85.92
<b>Total</b>	<b>27,361</b>	<b>100.00</b>	<b>142,902,465</b>	<b>285,804,930</b>	<b>100.00</b>

Shareholding Pattern of the Company as at 31<sup>st</sup> March, 2018

- **Steps taken by the management for company's revival**

Due to concerted and constant efforts of the promoters to revive and rehabilitate the Company, the Company has been able to settle majority of its creditors - both secured and unsecured. the Company has been able to settle majority of its secured creditors, viz. State Bank of India, State Bank of Patiala, IDBI Bank and Dena Bank, who have assigned their debts to an Asset Reconstruction Company(ARC) i.e. Invent Assets Securitisation and Reconstruction Private Limited. The Company has entered into a One-Time Settlement with Standard Chartered Bank and the amount thereof has been duly paid. Further, the Company has arrived into a settlement with its unsecured creditors viz. US\$ 7.5 Million Outstanding FCCB holders, and the Company has agreed to offer 7921 Equity Shares of the Company for each outstanding Bond.

The liability of repayment to Non-Convertible Redeemable Preference Shares (NCRPS), which were redeemable in the year 2023, was also extinguished during the financial year 2017-2018, by way of fresh issue of Equity Shares of ₹ 2/- each.

The Promoters and other persons/entities forming part of the Promoter group have infused funds amounting to ₹ 25.94 Crore in the financial year 2018-2019.

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

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

- **Dematerialization of Shares**

At the end of the year 2017-2018 around 99.16% 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 BSE 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, 2018)**

**Address**

SP-30A, SP-30B and E-31,  
Khushkhhera 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 Limited  
C-125, Naraina Industrial Area, Phase-I,  
New Delhi – 110028, India

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

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

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

44, Community Centre, Phase-I, Near PVR,  
Naraina Industrial Area,  
New Delhi-110028

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

## Annexure – A

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

The Members

Paramount Communications Limited

I, Sanjay Aggarwal, Chairman and CEO of the Company, do hereby confirm that all the Board members and the senior management personnel of the Company have complied with the 'Code of Conduct for Directors and Senior Management Personnel', during the Financial Year 2017-18.

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: 04 August, 2018**

**Place: New Delhi**

**(Sanjay Aggarwal)  
Chairman & CEO**

## Annexure – B

**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, 2018 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).

**For Paramount Communications Limited**

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

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

**AUDITOR'S CERTIFICATE****COMPLIANCE CERTIFICATE BY AUDITOR'S PURSUANT TO CLAUSE E OF SCHEDULE V OF THE SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****INDEPENDENT AUDITOR'S CERTIFICATE  
TO THE MEMBERS OF  
PARAMOUNT COMMUNICATIONS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **PARAMOUNT COMMUNICATIONS LIMITED** ("the Company"), for the year ended on 31<sup>st</sup> March 2018, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March 2018.

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

**(PAWAN BHOLUSARIA)**  
**Partner**  
**M.No .080691**

**Place: New Delhi**  
**Dated: 04 August, 2018**

# Independent Auditors' 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 2018, the Statement of Profit and Loss, including the statement of other Comprehensive income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

### 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 including other Comprehensive income, cash flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended). 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 Standalone 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 there under including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit of the Standalone Financial Statements 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 2018, and its profit including other Comprehensive income, its cash flows and the Statement of Changes in Equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. 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 A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;
  - 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;
  - The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - On the basis of written representation received from the directors as on 31<sup>st</sup> March 2018, taken on record by the Board of Directors, none of the directors is

disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- 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 B"**.
- 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:
  - The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2018 on its financial position in its financial statements – Refer Note No 41
  - The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2018
  - There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2018.

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

**Pawan Bholusaria**

Partner

M.No. 080691

**Place: New Delhi**  
**Date: 9<sup>th</sup> May 2018**



## Annexure “A” to Independent Auditors’ Report

Referred to in paragraph 9 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 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 5 on Fixed assets to the financial statements, are held in the name of the Company, except for one free hold land having gross block and net block of ₹ 60,417,500/-, which is yet to be registered / transferred in the name of company. The same is held in the name of erstwhile partnership firm Paramount Cable Corporation.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, to the extent applicable to the company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, sales tax, service tax, customs duty, excise duty, cess, goods and service tax 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 Service Tax, Customs Duty and Excise Duty as at 31<sup>st</sup> March 2018 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	15,450,558	Various years for 2006-07 to 2014-15	CESTAT
		22,897,288	Various years for 2014-15 to 2015-16	Commissioner (Appeals)
Finance Act	Service Tax	633,192	Various years for 2005-06 to 2008-09	CESTAT
		20,960,043	Various years for 2006-07 to 2009-10	High Court
Customs Act	Customs Duty	1,312,721	2005-06 & 2006-07	CESTAT
		3,550,000	2010-11 & 2011-12	Supreme Court

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

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

**Pawan Bholusaria**  
Partner  
M.No. 080691

**Place: New Delhi**  
**Date: 9<sup>th</sup> May 2018**

## Annexure “B” to Independent Auditors’ Report

Referred to in paragraph 10(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 2018

### 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 2018 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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Pawan Bholusaria**  
Partner  
M.No. 080691

Place: New Delhi  
Date: 9<sup>th</sup> May 2018

# Balance Sheet

as at 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment	5	1,295,595,628	1,368,967,190	1,462,423,728
(b) Other Intangible assets	6	7,702,287	8,820,977	3,541,446
(c) Financial Assets				
(i) Investments	7	3	3	118,323
(ii) Loans and Advances	8	117,160	586,206	83,0762
(iii) Others	9	115,046,248	157,606,330	161,289,805
(d) Other non-current assets	10	3,036,878	4,538,059	7,039,240
		<b>1,421,498,204</b>	<b>1,540,518,765</b>	<b>1,635,243,304</b>
<b>2 Current assets</b>				
(a) Inventories	11	277,927,069	1,33,105,382	538,798,171
(b) Financial Assets				
(i) Trade Receivables	12	1,886,061,778	1,162,009,565	1,337,734,003
(ii) Cash and cash equivalents	13	26,520,457	9,464,046	9,477,768
(iii) Bank Balances other than (ii) above	14	167,666,626	146,927,411	137,367,198
(iv) Loans and Advances	15	3,251,256	5,797,478	4,996,012
(v) Others	16	30,222,929	32,126,780	25,675,027
(c) Current Tax Assets(Tax)	17	5,107,413	18,251,203	16,016,184
(d) Other current assets	18	82,527,563	161,573,454	142,402,123
		<b>2,479,285,091</b>	<b>1,669,255,319</b>	<b>2,212,466,486</b>
<b>TOTAL ASSETS</b>		<b>3,900,783,295</b>	<b>3,209,774,084</b>	<b>3,847,709,790</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	19	285,804,930	250,466,930	250,466,930.00
(b) Other Equity	19.1	577,281,814	(363,005,979)	(503,445,263)
		<b>863,086,744</b>	<b>(112,539,049)</b>	<b>(252,978,333)</b>
<b>2 Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowing	20	1,884,250,000	1,882,362,750	1,807,489,607
(ii) Other financial liabilities	21	-	-	11,495,960
(b) Provisions	22	21,625,623	15,326,117	9,704,994
		<b>1,905,875,623</b>	<b>1,897,688,867</b>	<b>1,828,690,561</b>
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowing	23	91,464,990	220,745,497	329,415,680
(ii) Trade payables	24	-	-	-
Due to Micro and Small Enterprises		-	-	-
Others		913,928,738	191,862,417	565,293,429
(iii) Other	25	96,228,978	981,138,840	1,332,886,374
(b) Other current liabilities	26	27,227,988	28,613,710	42,216,936
(c) Provisions	27	2,970,234	2,263,802	2,185,143
		<b>1,131,820,928</b>	<b>1,424,624,266</b>	<b>2,271,997,562</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,900,783,295</b>	<b>3,209,774,084</b>	<b>3,847,709,790</b>

III. See accompanying notes to the financial statements with Notes 1 to 51

As per our Report of even date attached

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

**Pawan Bholusaria**  
Partner (M.No. 80691)  
Place : New Delhi  
Date : 9<sup>th</sup> May 2018

For and on behalf of Paramount Communications Limited

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

(**S K Agarwal**)  
Chief Financial Officer  
Mem No 053595

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

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

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Revenue :</b>			
I. Revenue from operations	28	4,350,892,769	3,499,884,327
II. Other income	29	40,912,208	43,276,276
III. <b>TOTAL INCOME (I + II)</b>		<b>4,391,804,977</b>	<b>3,543,160,603</b>
<b>IV. Expenses:</b>			
Cost of material consumed	30	3,581,804,713	2,532,915,589
Change in Inventories of finished goods, work-in-progress and scrap	31	(86,033,209)	309,216,342
Employee benefits expenses	32	159,648,893	148,310,272
Finance costs	33	44,835,791	195,772,289
Depreciation and amortization	34	92,250,492	96,922,544
Excise Duty		91,812,158	344,515,934
Other Expenses	35	630,550,360	642,223,131
<b>TOTAL EXPENSES (IV)</b>		<b>4,514,869,198</b>	<b>4,269,876,101</b>
V. <b>Profit/(loss) Before exceptional items and Tax (III - IV)</b>		<b>(123,064,221)</b>	<b>(726,715,498)</b>
VI. Exceptional items (refer note no 46)		269,993,962	873,898,812
VII. Profit/(Loss) before tax (V - VI)		<b>146,929,741</b>	<b>147,183,314</b>
VIII. Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>TOTAL TAX EXPENSE (VIII)</b>		<b>-</b>	<b>-</b>
IX. <b>Profit/(loss) for the year (VII - VIII)</b>		<b>146,929,741</b>	<b>147,183,314</b>
X. <b>Comprehensive Income</b>			
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		(550,970)	(2,919,030)
Income tax effect on above		-	-
		<b>(550,970)</b>	<b>(2,919,030)</b>
XI. <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX +X)</b> <b>(Comprehensive profit and other comprehensive income for the year)</b>		<b>146,378,771</b>	<b>144,264,284</b>
XII. <b>Earnings Per Equity Share:</b>			
(1) Basic		1.10	1.18
(2) Diluted		1.10	1.18

See accompanying notes to the financial statements with Notes 1 to 51

As per our Report of even date attached

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

**Pawan Bholusaria**  
Partner (M.No. 80691)  
Place : New Delhi  
Date : 9<sup>th</sup> May 2018

For and on behalf of Paramount Communications Limited

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

(**S K Agarwal**)  
Chief Financial Officer  
Mem No 053595

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

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

# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	(123,064,221)	(726,715,498)
Adjustment for :		
Depreciation, amortization and impairment	92,250,492	96,922,544
Interest Expenses	39,926,592	184,015,108
Interest on fair valuation of Preference Share	1,612,005	6,252,568
Amortisation of security premium of Preference Share	(935,290)	(3,825,000)
Exchange Loss on FCCB	156,000	(5,616,000)
Loss / (Profit) on sale of assets(net)	-	(63,254)
Interest Income	(30,609,143)	(32,209,236)
Interest Income on fair valuation of Security Deposit	(1,444,720)	(1,307,439)
Bad debts written off	27,519,623	3,935,766
Provision for Doubtful debts/ Written back	(2,3978,085)	115,791,163
	<b>104,497,474</b>	<b>363,896,220</b>
Operating Profit before working capital changes	<b>(18,566,747)</b>	<b>(362,819,278)</b>
Adjustment for :		
Decrease / (Increase) in Trade Receivables	(727,593,751)	55,997,509
Decrease / (Increase) in Loans & Advances	4,459,988	750,529
Decrease / (Increase) in Inventories	(144,821,687)	405,692,789
Decrease / (Increase) in Other Assets	125,011,005	(19,438,428)
(Decrease) / Increase in Trade Payables	722,066,322	(373,431,012)
(Decrease) / Increase in Other Liabilities & Provisions	(42,659,261)	(56,763,694)
	<b>(63,537,384)</b>	<b>12,807,693</b>
Cash generated from operation	<b>(82,104,131)</b>	<b>(350,011,585)</b>
Exceptional items		
Gain/(Loss) on Fair Valuation of Borrowing	269,993,962	873,898,812
Income Tax Paid	13,143,790	(2,235,019)
	<b>283,137,752</b>	<b>871,663,793</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>201,033,621</b>	<b>521,652,208</b>



# Cash Flow Statement (Cont...)

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital WIP	(17,616,239)	(15,911,640)
Sale of Fixed Assets	-	2,045,357
Interest Received	30,609,143	32,209,236
(Increase)/Decrease in Current Investment	-	118,320
	<b>12,992,904</b>	<b>18,461,273</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>12,992,904</b>	<b>18,461,273</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(39,926,592)	(184,015,108)
Increase/(Decrease) in Borrowings from banks / ARC	(227,775,297)	(346,551,882)
Redemption of 0% Non-Convertible Redeemable Preference Shares	(92,756,250)	-
Loan From Directors	91,464,990	-
Issue of Equity Share Capital with premium	92,762,250	-
	<b>(176,230,899)</b>	<b>(530,566,990)</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(176,230,899)</b>	<b>(530,566,990)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>37,795,626</b>	<b>9,546,491</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>156,391,457</b>	<b>146,844,966</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>194,187,083</b>	<b>156,391,457</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>37,795,626</b>	<b>9,546,491</b>

**Note:**

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)
- Cash and cash equivalents consist of cash in hand and balances with banks.
- Borrowings from banks/ARC is net of repayments
- Figures in brackets represent outflow of cash.

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

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

**Pawan Bholusaria**  
Partner (M.No. 80691)  
**Place : New Delhi**  
**Date : 9<sup>th</sup> May 2018**

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

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

**(S K Agarwal)**  
Chief Financial Officer  
Mem No 053595

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

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

# Statement of Changes In Equity

for the period ended 31<sup>st</sup> March 2018

## A. Equity share capital

(Amount in ₹)

As at 1 <sup>st</sup> April 2016	Changes in equity share capital during the year 2016-17	Balance as at 31 <sup>st</sup> March 2017	Changes in equity share capital during the year 2017-18	Balance as at 31 <sup>st</sup> March 2018
250,466,930	-	250,466,930	35,338,000	285,804,930

## B. Other Equity

(Amount in ₹)

Particulars	Equity component of convertible instruments	Equity component of compound financial instruments**	Reserve and Surplus				Items of Other comprehensive Income Items that will not be classified to profit and loss Re-measurement of net defined benefit Plans	Total
			Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1 <sup>st</sup> April 2016 (Ind AS)	-	7,864,573	3,031,100	678,279,437	25,403,272	(1,218,023,645)	-	(503,445,263)
Total Comprehensive Income for the year 2016-17						147,183,314		147,183,314
Premium on redemption of Preference Shares				(3,825,000)				(3,825,000)
Re-measurement of net defined benefit Plans							(2,919,30)	(2,919,030)
Balance as at 31 <sup>st</sup> March 2017	-	7,864,573	3,031,100	674,454,437	25,403,272	(1,070,840,331)	(2,919,30)	(363,005,979)
Total Comprehensive Income for the year 2017-18						146,929,741		146,929,741
Addition during the year				57,424,250				57,424,250
Premium on redemption of Preference Shares				(935,290)				(9,35,290)
Re-measurement of net defined benefit Plans							(550,970)	(550,970)
Equity component of compound financial instruments transferred to retain earning		(7,864,573)				7,864,573		-
Foreign currency convertible bond	737,420,062							737,420,062
Balance as at 31 <sup>st</sup> March 2018	737,420,062	-	3,031,100	730,943,397	25,403,272	(916,046,017)	(3,470,000)	577,281,814

\*Foreign Currency Convertible Bondholders have given their consent to convert 1500 nos outstanding bonds of US\$ 5000 each at a predetermined exchange rate of ₹ 44.99 at fixed price of ₹ 28.40 per equity share. The same are convertible into 11881500 equity share of ₹ 2/-each on or before 29<sup>th</sup> June 2018 subject to certain statutory approval.

\*\*Refer foot note to note no 20

### As per our Report of even date attached

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

**Pawan Bholusaria**  
Partner (M.No. 80691)  
Place : New Delhi  
Date : 9<sup>th</sup> May 2018

### For and on behalf of Paramount Communications Limited

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

(**S K Agarwal**)  
Chief Financial Officer  
Mem No 053595

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

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

# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 1. CORPORATE AND GENERAL INFORMATION

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

## 2. BASIS OF PREPARATION

The Company has adopted IND AS for the financial year beginning on 1<sup>st</sup> April 2017 with 1<sup>st</sup> April 2016 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at 1<sup>st</sup> April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as of 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017 and on the net profit and cash flows for the year ended 31<sup>st</sup> March 2017 is disclosed in Note no.49 to these financial statements.

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

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Measurement

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

- Certain financial assets and liabilities carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment on transition to IND AS (refer note no 5 to these financial statements)

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

### 3.2 Property, Plant and Equipment

- For transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. (refer note 5) Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.
- Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

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

## 3.3 Intangible Assets

Identifiable intangible assets are recognised:

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

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

## 3.4 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior

accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

## 3.5 Cash and cash equivalents

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

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

## 3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

## 3.7 Employee benefits

- Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged

# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

or credited to profit and loss in the period in which they arise.

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

## 3.8 Foreign currency reinstatement and translation

### (a) Functional and presentation currency

The financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

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

of the item that gave rise to such exchange difference.

The Company has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date (refer sub note no 4 of Note No 49 ).

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

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

### Financial Assets

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

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

### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over

# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

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

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

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

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

## Investment in equity shares

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

## Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account. Other borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective rate of interest (EIR). The EIR

amortisation is included in finance costs in the Statement of Profit and Loss.

## Trade and other payables

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

## 3.10 Borrowing costs

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

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

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

## 3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in



# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

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

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

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

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the

same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 3.12 Revenue recognition and Other income

### Sale of Goods

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

### Interest

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

## 3.13 Recent accounting development

### Standards issued but not yet effective:

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1<sup>st</sup> April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Revenue is recognised when a customer obtains control of a promised good or service. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The Company is in the process of assessing the detailed potential impact of Ind AS 115, Revenue from Contracts with Customer on its financial statements and related disclosures. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

In March, 2018, the Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which would be applicable for accounting periods beginning on or after 1<sup>st</sup> April 2018. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

Presently the Company is not able to reasonably estimate the impact of the application of the appendix B on the financial statements.

## 3.14 Earnings per share

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

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

## 3.15 Provisions and contingencies

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is

recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

### Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

## 3.16 Operating Lease

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

## 3.17 Current /non-current classification

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

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III,

# Significant Accounting Policies and Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

## 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

### (a) Property, plant and equipment

External adviser and internal technical team assess the remaining useful lives and residual value of

property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

On transition to IND AS, the Company has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment, impact of fair valuation is provided in Note no 49, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the Company has revisited useful life of various categories of assets, impact of revision in estimate of useful life of various assets is provided in Note no 5. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

### (b) Income taxes

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

### (c) Contingencies

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

### (d) Allowance for uncollected accounts receivable and advances.

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

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

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 5. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Lease hold Land	Buildings	Plant and Equipment	Furniture and Fixture	Lease hold Building improvement	Vehicles	Office Equipment	Total
(Amount in ₹)									
<b>Gross Block</b>									
<b>As at 1<sup>st</sup> April 2016</b>	230,235,130	290,187,000	220,672,344	692,085,438	17,156,875	5,234,030	4,007,031	2,845,880	1,462,423,728
Additions	-	-	-	1,181,614	42,281	-	593,516	2,471,831	4,289,242
Disposals/Adjustments	-	-	1,646,358	-	-	-	373,931	-	2,020,289
<b>As at 31<sup>st</sup> March 2017</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,025,986</b>	<b>693,267,052</b>	<b>17,199,156</b>	<b>5,234,030</b>	<b>4,226,616</b>	<b>5,317,711</b>	<b>1,464,692,681</b>
Additions	-	-	45,732	15,095,010	267,445	-	217,575	1,147,195	16,772,957
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,071,718</b>	<b>708,362,062</b>	<b>17,466,601</b>	<b>5,234,030</b>	<b>4,444,191</b>	<b>6,464,906</b>	<b>1,481,465,638</b>
<b>Accumulated Depreciation</b>									
<b>As at 1<sup>st</sup> April 2016</b>	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	3,468,378	8,493,735	73,909,175	5,808,306	1,602,170	1,281,831	1,200,079	95,763,674
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	38,183	-	38,183
<b>As at 31<sup>st</sup> March 2017</b>	<b>-</b>	<b>3,468,378</b>	<b>8,493,735</b>	<b>73,909,175</b>	<b>5,808,306</b>	<b>1,602,170</b>	<b>1,243,648</b>	<b>1,200,079</b>	<b>95,725,491</b>
Depreciation charge for the year	-	3,468,378	8,631,730	70,531,466	4,150,343	1,491,782	701,308	1,169,512	90,144,519
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>-</b>	<b>6,936,755</b>	<b>17,125,465</b>	<b>144,440,641</b>	<b>9,958,650</b>	<b>3,093,952</b>	<b>1,944,956</b>	<b>2,369,591</b>	<b>185,870,010</b>
<b>Net Carrying Amount</b>									
<b>At 1<sup>st</sup> April 2016</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>220,672,344</b>	<b>692,085,438</b>	<b>17,156,875</b>	<b>5,234,030</b>	<b>4,007,031</b>	<b>2,845,880</b>	<b>1,462,423,728</b>
<b>At 31<sup>st</sup> March 2017</b>	<b>230,235,130</b>	<b>286,718,622</b>	<b>210,532,251</b>	<b>619,357,878</b>	<b>11,390,849</b>	<b>3,631,860</b>	<b>2,982,968</b>	<b>41,176,32</b>	<b>1,368,967,190</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>230,235,130</b>	<b>283,250,245</b>	<b>201,946,252</b>	<b>563,921,421</b>	<b>7,507,951</b>	<b>2,140,077</b>	<b>2,499,236</b>	<b>4,095,315</b>	<b>1,295,595,628</b>

Note:-

- 1) Property, plant and equipment is hypothecated for long term borrowings from banks/ Assets Reconstruction Company (Refer note no. 20)
- 2) The impact of change in depreciation for 2016-17 due to change in life result in lower depreciation by ₹ 13,391,952. (Refer Note 49)
- 3) The Company has elected to measure the items of Property, Plant and Equipment at their value on date of transition. (Refer note no 49)
- 4) Title deeds of factory land measuring 3,108.72 sq. mtr. at Prahlapdur, Bawana Road, Delhi of ₹ 60,417,500 are yet to be registered/transferred in the name of company
- 5) The Company has capitalised such exchange fluctuation to Property, Plant and Equipment. (Refer Note no 47)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 6. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Other Intangibles (Software)	Total
<b>Gross Block</b>		
<b>As at 1<sup>st</sup> April 2016</b>	<b>3,541,446</b>	<b>3,541,446</b>
Addition during the year	6,438,401	6,438,401
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>9,979,847</b>	<b>9,979,847</b>
Addition during the year	987,282	987,282
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>10,967,129</b>	<b>10,967,129</b>
<b>Accumulated Depreciation</b>		
<b>As at 1<sup>st</sup> April 2016</b>	<b>-</b>	<b>-</b>
Charge for the year	1,158,870	1,158,870
Impairment	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>1,158,870</b>	<b>1,158,870</b>
Charge for the year	2,105,972	2,105,972
Impairment	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>3,264,842</b>	<b>3,264,842</b>
<b>Net Carrying Amount</b>		
<b>As at 1<sup>st</sup> April 2016</b>	<b>3,541,446</b>	<b>3,541,446</b>
<b>As at 31<sup>st</sup> March 2017</b>	<b>8,820,977</b>	<b>8,820,977</b>
<b>As at 31<sup>st</sup> March 2018</b>	<b>7,702,287</b>	<b>7,702,287</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 7. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018			As at 31 <sup>st</sup> March 2017			As at 1 <sup>st</sup> April 2016		
	No. of Shares	Face Value (₹)	Amount	No. of Shares	Face Value (₹)	Amount	No. of Shares	Face Value (₹)	Amount
<b>a) Long Term (Quoted)</b>	-	-	-	-	-	-	4,800	10	118,320
Haryana Financial Corporation	-	-	-	-	-	-	4,800		118,320
<b>Aggregate amount of quoted investment (At Market Value)</b>			-			-			<b>118,320</b>

### b) Long Term-Non Trade (unquoted)

In Subsidiaries	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
Paramount Holding Limited, Cyprus	3675	€ 1.71 each	1	3675	€ 1.71 each	1	3675	€ 1.71 each	1
AEI Power Cables Limited, United Kingdom	1000	£1 each	1	1000	£1 each	1	1000	£1 each	1
06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom. In administration liquidation	20000	£1 each	1	20000	£1 each	1	20000	£1 each	1
<b>TOTAL</b>			<b>3</b>			<b>3</b>			<b>3</b>
<b>Aggregate amount of unquoted investment (Market value)</b>			<b>3</b>			<b>3</b>			<b>3</b>
<b>GRAND TOTAL</b>			<b>3</b>			<b>3</b>			<b>118,323</b>
<b>Aggregate value of quoted investments</b>			-			-			<b>168,000</b>
<b>Aggregate Market value of quoted investments</b>			-			-			<b>118,320</b>
<b>Aggregate value of unquoted investments</b>			<b>255,469,934</b>			<b>255,469,934</b>			<b>255,469,934</b>
<b>Aggregate amount of impairment in value of investments</b>			<b>255,469,931</b>			<b>255,469,931</b>			<b>255,469,931</b>

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

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

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



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 8. NON CURRENT LOANS AND ADVANCES (Unsecured, considered good)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Staff Loans and Advances	117,160	586,206	830,762
<b>TOTAL</b>	<b>117,160</b>	<b>586,206</b>	<b>830,762</b>

(Amount in ₹)

## 9. NON CURRENT OTHER FINANCIAL ASSETS (Unsecured, considered good)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Security Deposits			
to related party *	12,451,798	12,451,798	12,451,798
to others	14,276,336	10,405,600	8,831,600
Interest Accrued but not due on fair valuation of Security Deposit to related party	2,752,159	1,307,438	-
Bank Deposits (with remaining maturity of more than 12 months)**	79,364,731	123,103,753	131,920,712
Interest Accrued but not due on fixed deposits	6,201,224	10,337,741	8,085,695
Advance to Related Parties - (Net of Provision)***	-	-	-
<b>TOTAL</b>	<b>115,046,248</b>	<b>157,606,330</b>	<b>161,289,805</b>

(Amount in ₹)

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

\*\* Under lien/custody with banks.

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

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Advance to Related Parties -Paramount Holdings Limited (Subsidiary Company)	7,380,392	7,380,392	7,380,392
Less : Provision for Advance Recoverable from Subsidiary Company	7,380,392	7,380,392	7,380,392
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Amount in ₹)

## 10. OTHER NON-CURRENT ASSETS

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Capital Advance	1,992,220	1,992,220	2,992,220
Deferred Lease Rent	1,044,658	2,545,839	4,047,020
<b>TOTAL</b>	<b>3,036,878</b>	<b>4,538,059</b>	<b>7,039,240</b>

(Amount in ₹)

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 11. INVENTORIES

(as taken, valued and certified by the management)

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Raw Material	138,294,285	82,069,415	156,078,308
Work- in -progress	45,133,643	15,825,849	165,908,193
Finished goods	70,508,995	21,111,782	198,181,805
Stores and Spares	13,844,609	11,388,659	12,495,228
Packing materials	4,435,273	1,800,515	3,668,399
Scrap	5,710,264	909,162	2,466,238
<b>TOTAL INVENTORIES</b>	<b>277,927,069</b>	<b>133,105,382</b>	<b>538,798,171</b>

## 12. TRADE RECEIVABLES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Unsecured, considered good	1,886,061,778	1,162,009,565	1,337,734,003
Doubtful	206,730,978	230,709,063	114,917,900
	<b>2,092,792,756</b>	<b>1,392,718,628</b>	<b>1,452,651,903</b>
Allowances for Doubtful receivables	206,730,978	230,709,063	114,917,900
<b>TOTAL TRADE RECEIVABLES</b>	<b>1,886,061,778</b>	<b>1,162,009,565</b>	<b>1,337,734,003</b>

## 13. CASH AND CASH EQUIVALENT

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Cash on hand	3,505,460	5,012,272	7,187,803
Balances with banks			
On current accounts	23,014,997	4,451,774	2,289,965
<b>TOTAL</b>	<b>26,520,457</b>	<b>9,464,046</b>	<b>9,477,768</b>

## 14. OTHER BANK BALANCES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	167,666,626	146,927,411	137,367,198
<b>TOTAL</b>	<b>167,666,626</b>	<b>146,927,411</b>	<b>137,367,198</b>

\*Under lien/custody with banks.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 15. CURRENT LOANS AND ADVANCES (Unsecured, considered good)

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Staff Loans and Advances	3,251,256	5,797,478	4,996,012
<b>TOTAL</b>	<b>3,251,256</b>	<b>5,797,478</b>	<b>4,996,012</b>

## 16. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Earnest Money Deposits	7,416,176	13,192,477	10,835,817
Security Deposits	876,024	621,024	641,921
Interest Accrued but not due on fixed deposits	21,930,729	18,313,279	14,197,289
<b>TOTAL</b>	<b>30,222,929</b>	<b>32,126,780</b>	<b>25,675,027</b>

## 17. CURRENT TAX ASSETS (TAX)

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Current Tax Assets (Net to Provision)	5,107,413	18,251,203	16,016,184
<b>TOTAL</b>	<b>5,107,413</b>	<b>18,251,203</b>	<b>16,016,184</b>

## 18. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Advances to contractors and suppliers	44,502,306	67,705,457	27,140,504
Balance with Central Excise	21,680	21,680	21,680
Amount Recoverable from Government*	32,803,404	90,850,200	109,934,857
Prepaid Expenses	3,698,991	1,494,935	3,803,901
Deferred Lease Rent	1,501,182	1,501,182	1,501,181
<b>TOTAL</b>	<b>82,527,563</b>	<b>161,573,454</b>	<b>142,402,123</b>

\* represents GST, sales tax, cenvat credit etc.

## 19. EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Authorised share capital</b>			
250,000,000(31 <sup>st</sup> March 2017- 250,000,000 and 1 <sup>st</sup> April 2016 -250,000,000) Equity Shares of ₹ 2/-each	500,000,000	500,000,000	500,000,000
1,000,000(31 <sup>st</sup> March 2017 - 1,000,000 and 1 <sup>st</sup> April 2016 -1,000,000 Redeemable Preference Shares of ₹ 100/- each	100,000,000	100,000,000	100,000,000
<b>TOTAL</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>600,000,000</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Issued, Subscribed and Paid up Capital</b>			
142,902,465 (31 <sup>st</sup> March 2017 125,233,465 and 1 <sup>st</sup> April 2016 125,233,465) Equity Shares of ₹ 2/-each fully paid up	285,804,930	250,466,930	250,466,930
	<b>285,804,930</b>	<b>250,466,930</b>	<b>250,466,930</b>
*Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:	NIL	NIL	NIL
<b>Reconciliation of the number of equity shares and share capital</b>			
Shares outstanding as at the beginning of the year	125,233,465	125,233,465	125,233,465
Add: Shares issued during the year	17,669,000	-	-
<b>Shares outstanding as at the end of the year</b>	<b>142,902,465</b>	<b>125,233,465</b>	<b>125,233,465</b>

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

Name of the shareholders	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding
M/s Paramount Telecables Limited	28,316,500	19.82	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	9.13	13,040,172	10.41	13,040,172	10.41
Mrs. Shashi Aggarwal	8,487,800	5.94	2,309,800	1.84	2,309,800	1.84

## 19.1 OTHER EQUITY

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>(a) Accumulated profit and Loss</b>			
Opening Balance	(1,070,840,331)	(1,218,023,645)	(1,218,023,645)
Add: Net profit for the year	146,929,741	147,183,314	-
Equity component of compound financial instruments transferred	7,864,573	-	-
<b>TOTAL OF A</b>	<b>(916,046,017)</b>	<b>(1,070,840,331)</b>	<b>(1,218,023,645)</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>(b) Other Reserves</b>			
<b>Items of Other comprehensive Income</b>			
Re-measurement gains (losses) on defined benefit plans			
Opening Balance	(2,919,030)	-	-
Addition during the year	(550,970)	(2,919,030)	-
	<b>(3,470,000)</b>	<b>(2,919,030)</b>	-
<b>General Reserve</b>			
Opening Balance	25,403,272	25,403,272	25,342,997
Addition during the year	-	-	60,275
Written off during the year	-	-	-
	<b>25,403,272</b>	<b>25,403,272</b>	<b>25,403,272</b>
<b>Equity component of compound financial instruments</b>			
Opening Balance	7,864,573	7,864,573	7,864,573
Equity component of compound financial instruments transferred to retain earning	(7,864,573)	-	-
	<b>-</b>	<b>7,864,573</b>	<b>7,864,573</b>
<b>Capital Reserve</b>			
Opening Balance	3,031,100	3,031,100	3,031,100
Addition during the year	-	-	-
	<b>3,031,100</b>	<b>3,031,100</b>	<b>3,031,100</b>
<b>Security Premium</b>			
Opening Balance	674,454,437	678,279,437	682,104,437
Add: During the Year	57,424,250	-	-
Less: Provision for Premium on redemption of Preference Shares	935,290	3,825,000	3,825,000
	<b>730,943,397</b>	<b>674,454,437</b>	<b>678,279,437</b>
<b>Equity component of convertible instruments</b>			
Opening Balance	-	-	-
Add: During the Year	737,420,062	-	-
	<b>737,420,062</b>	<b>-</b>	<b>-</b>
<b>TOTAL OF B</b>	<b>1,493,327,831</b>	<b>707,834,352</b>	<b>714,578,382</b>
<b>TOTAL (A+B)</b>	<b>577,281,814</b>	<b>(363,005,979)</b>	<b>(503,445,263)</b>

Retained Earnings represent the undistributed profits of the Company

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

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

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

Capital Reserve represents project subsidy from State Government.

## 20. BORROWINGS

Designated at fair value through profit and loss account

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Secured</b>			
Term Loans			
From Banks	-	182,500,000	1,533,991,430
From Securitisation and Assets Reconstruction Company (ARC)	1,806,500,000	1,662,500,000	167,500,000
From Financial Institution	77,750,000	37,362,750	37,362,750
<b>Unsecured</b>			
0% Non-Convertible Redeemable Preference Shares	-	-	68,635,427
<b>TOTAL</b>	<b>1,884,250,000</b>	<b>1,882,362,750</b>	<b>1,807,489,607</b>

### Nature of Security :-

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

Term loans from banks/Securitisation and Assets Reconstruction Company (ARC) are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through 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.

#### 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.

#### 765,000 0% Non-Convertible Redeemable Preference Shares (NCRPS)

0% Non - Convertible Redeemable Preference Shares ("NCRPS") of face value of ₹ 100/- per share have been redeemed at a price of ₹ 121.25 out of fresh issue of equity shares of the company during the FY 2017-18. Prior to conversion The NCRPS has been accounted as compound financial instruments and the discounted amount at prevailing rate of interest has been accounted in equity and balance as liability.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

Maturity Profile and rate of interest of Secured Borrowings are as set out below :-

(Amount in ₹)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
9.5%	-	-	-	77,750,000
0%	56,500,000	214,800,000	1,435,200,000	100,000,000
<b>TOTAL</b>	<b>56,500,000</b>	<b>214,800,000</b>	<b>1,435,200,000</b>	<b>177,750,000</b>

## 21. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Provision for Premium on Redemption of Preference Shares	-	-	11,495,960
<b>TOTAL OTHER FINANCIAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>11,495,960</b>

## 22. PROVISIONS

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Provisions for employee benefits</b>			
Provision for Gratuity	11,188,613	4,300,894	-
Provision for Leave Encashment	10,437,010	11,025,223	9,704,994
	<b>21,625,623</b>	<b>15,326,117</b>	<b>9,704,994</b>

## 23. BORROWINGS

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Secured</b>			
<b>From Banks</b>			
Working Capital Loans from Banks	-	152,110,070	329,415,680
<b>Unsecured</b>			
<b>From Related Parties</b>			
Loan From Directors	91,464,990	-	-
0% Non-Convertible Redeemable Preference Shares (Refer to foot note to Note No 20)	-	68,635,427	-
	<b>91,464,990</b>	<b>220,745,497</b>	<b>329,415,680</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 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 Prahaladpur, 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.

## 24. TRADE PAYABLES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Due to Micro, Small & Medium Enterprises*	-	-	-
Others	913,928,738	191,862,417	565,293,429
<b>TOTAL</b>	<b>913,928,738</b>	<b>191,862,417</b>	<b>565,293,429</b>

\* 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.

## 25. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Current maturities of long term debts	54,000,000	47,100,000	-
Provision for Premium on Redemption of Preference Shares	-	15,320,960	-
Foreign Currency Convertible Bonds (FCCBs)	-	735,716,404	753,251,808
From Securitisation and Assets Reconstruction Company (ARC)	-	-	330,203,098
Other Financial Liabilities	42,228,978	183,001,476	249,431,468
<b>TOTAL</b>	<b>96,228,978</b>	<b>981,138,840</b>	<b>1,332,886,374</b>

## 26. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Advance from customers	12,747,024	17,062,795	11,912,900
Statutory Dues Payable	14,480,964	11,550,915	30,304,036
<b>TOTAL</b>	<b>27,227,988</b>	<b>28,613,710</b>	<b>42,216,936</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 27. PROVISIONS

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Provisions for employee benefits</b>			
Provision for Gratuity	764,596	246,561	-
Provision for Leave Encashment	2,205,638	2,017,241	2,185,143
<b>TOTAL</b>	<b>2,970,234</b>	<b>2,263,802</b>	<b>2,185,143</b>

## 28. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>a) Sale of Products</b>		
Manufactured goods	4,311,241,131	3,473,577,839
<b>b) Other Operating Revenue</b>		
Export benefits	2,241,066	2,069,593
Scrap	37,410,572	24,236,895
	<b>4,350,892,769</b>	<b>3,499,884,327</b>

## 29. OTHER INCOME

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest on refund of income-tax	1,051,742	-
Interest on Fixed Deposit	19,575,893	22,869,119
Interest Income - Others	9,981,508	9,340,117
Insurance Claim Received	264,001	200,467
Profit on sale/disposal of Fixed Assets (Net)	-	63,254
Miscellaneous Income	11,900	542,467
Exchange Fluctuation (Net)*	8,582,444	8,953,413
Interest Income on fair valuation of Security Deposit	1,444,720	1,307,439
	<b>40,912,208</b>	<b>43,276,276</b>

\* Refer Note No 36

## 30. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Raw Material consumed	3,581,804,713	2,532,915,589

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 31. CHANGES IN INVENTORIES

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Opening Stock</b>		
- Finished Stock	21,111,782	198,181,805
- Work in Progress	15,825,849	165,908,193
- Scrap	909,162	2,466,238
	<b>37,846,793</b>	<b>366,556,236</b>
<b>Less: Closing Stock</b>		
- Finished Stock	70,508,995	21,111,782
- Work in Progress	45,133,643	15,825,849
- Scrap	5,710,264	909,162
	<b>121,352,902</b>	<b>37,846,793</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(83,506,109)</b>	<b>328,709,443</b>
Excise duty on account of increase/(decrease) on stock of finished goods	(2,527,100)	(19,493,101)
<b>TOTAL (INCREASE)/DECREASE IN STOCK</b>	<b>(86,033,209)</b>	<b>309,216,342</b>

## 32. EMPLOYEE BENEFITS EXPENSES

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Salaries and wages	146,026,030	135,613,291
Contribution to provident and other funds	7,981,691	7,141,721
Workmen and Staff Welfare	5,641,172	5,555,260
<b>TOTAL</b>	<b>159,648,893</b>	<b>148,310,272</b>

## 33. FINANCE COST

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest on Loans	39,926,592	184,015,108
Interest on fair valuation of Preference Share	1,612,005	6,252,568
Other Borrowing Cost	3,297,194	5,504,613
<b>TOTAL</b>	<b>44,835,791</b>	<b>195,772,289</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 34. DEPRECIATION AND AMORTIZATION

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Property Plant and Equipment	90,144,519	95,763,674
Intangible Assets	2,105,973	1,158,870
<b>TOTAL</b>	<b>92,250,492</b>	<b>96,922,544</b>

## 35. OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Stores, Spares & Consumables	27,463,482	29,350,299
Packing Expenses	115,154,948	94,385,288
Power and Fuel	116,359,900	96,344,940
Rent	22,433,324	22,615,006
Amortised Cost of Rent on fair valuation of Security Deposit	1,501,181	1,501,181
Repair and Maintenance		
- Plant and Machinery	20,944,742	10,797,190
- Building	2,597,578	1,906,123
- Others	5,189,920	5,146,510
Insurance	3,229,016	4,227,714
Rates and Taxes	587,977	1,137,878
Auditor's Remuneration	1,849,547	1,880,636
Conversion Charges	4,616,676	4,718,345
Labour Charges	93,655,142	76,691,248
Commission and Brokrage	9,671,679	9,788,537
Rebate and Discount	2,092,967	10,816,412
Freight, Octroi & cartage	34,637,938	18,924,593
Provision for doubtful debts	-	115,791,163
Bad Debts written off	27,519,623	3,935,766
Less: Provision for doubtful debts written back	23,978,085	3,541,538
		-
Travelling and Conveyance	30,827,915	32,662,808
Advertisement and Publicity	1,121,053	534,863
Communication Expenses	5,127,294	5,256,950
Donations	942,000	2,499,000
Professional Charges	67,816,447	39,609,008

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Business Promotion Expenses	18,094,327	15,097,825
Printing and Stationary	3,996,575	2,979,911
Security Charges	7,801,094	9,963,894
Testing Charges	11,908,684	10,587,108
Directors Meeting Fee	1,375,000	825,000
Miscellaneous Expenses	16,012,416	12,247,935
<b>TOTAL</b>	<b>630,550,360</b>	<b>642,223,131</b>

## 36. FINANCIAL RISK MANAGEMENT

### Financial risk factors

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

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018.

#### ii) Credit risk

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

#### iii) Liquidity risk

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

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

### Market Risk

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



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## (a) Foreign exchange risk and sensitivity

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

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

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

### Foreign Currency Sensitivity

(Amount in ₹)

Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	Effect on profit/(loss) before tax
For the year ended 31 <sup>st</sup> March 2018			
USD	176,162	+ 5%	568,149
		-5%	(568,149)
EURO	(815)	+ 5%	(3,322)
		-5%	3,322
GBP	124,466	+ 5%	568,500
		-5%	(568,500)
For the year ended 31 <sup>st</sup> March 2017			
USD	(11,407,874)	+ 5%	(37,175,577)
		-5%	37,175,577
EURO	(815)	+ 5%	(2,848)
		-5%	2,848
GBP	552,550	+ 5%	2,226,773
		-5%	(2,226,773)

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

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Net Foreign Exchange gain shown as other income	8,582,444	8,953,413

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at fixed rate and hence, there is no interest risk sensitivity. Weighted average cost of borrowing is 10.85% for the year ended 31<sup>st</sup> March 2018 (10% for the year ended 31<sup>st</sup> March 2017) excluding borrowings which are assigned/negotiated with banks with no interest liability.

## Credit risk

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

## • Trade Receivables

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

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

(Amount in ₹)

Particulars	Neither due nor impaired	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
As at 31 <sup>st</sup> March 2018					
Trade receivable					
Unsecured	749,794,903	943,574,492	58,161,213	341,262,148	2,092,792,756
GROSS TOTAL	749,794,903	943,574,492	58,161,213	341,262,148	2,092,792,756
Provision for doubtful	-	-	-	206,730,978	206,730,978
NET TOTAL	749,794,903	943,574,492	58,161,213	134,531,170	1,886,061,778
As at 31 <sup>st</sup> March 2017					
Trade receivable					
Unsecured	411,839,448	566,298,213	61,352,851	353,228,116	1,392,718,628
GROSS TOTAL	411,839,448	566,298,213	61,352,851	353,228,116	1,392,718,628
Provision for doubtful	-	-	-	230,709,063	230,709,063
NET TOTAL	411,839,448	566,298,213	61,352,851	122,519,053	1,162,009,565
As at 1 <sup>st</sup> April 2016					
Trade receivable					
Unsecured	389,725,406	710,259,996	63,594,676	289,071,825	1,452,651,903
GROSS TOTAL	389,725,406	710,259,996	63,594,676	289,071,825	1,452,651,903
Provision for doubtful	-	-	-	114,917,900	114,917,900
NET TOTAL	389,725,406	710,259,996	63,594,676	174,153,925	1,337,734,003

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Liquidity risk

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

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

## Trade payable ageing and other liabilities

(Amount in ₹)

Particulars	Ageing as on 31st March 2018					Total
	Carrying Amount	On demand	< 6 months	6-12 months	> 1 years	
Borrowings	1,975,714,990	-	-	91,464,990	1,884,250,000	1,975,714,990
Trade payable	913,928,738	-	913,928,738	-	-	913,928,738
Other liabilities	123,456,965	-	96,456,965	27,000,000	-	123,456,965
<b>TOTAL</b>	<b>3,013,100,693</b>	<b>-</b>	<b>1,010,385,703</b>	<b>118,464,990</b>	<b>1,884,250,000</b>	<b>3,013,100,693</b>

(Amount in ₹)

Particulars	Ageing as on 31 <sup>st</sup> March 2017					Total
	Carrying Amount	On demand	< 6 months	6-12 months	> 1 years	
Borrowings	2,103,108,247	-	152,110,070	68,635,427	1,882,362,750	2,103,108,247
Trade payable	191,862,417	-	191,862,417	-	-	191,862,417
Other liabilities	1,009,752,550	-	987,452,550	22,300,000	-	1,009,752,550
<b>TOTAL</b>	<b>3,304,723,214</b>	<b>-</b>	<b>1,331,425,037</b>	<b>90,935,427</b>	<b>1,882,362,750</b>	<b>3,304,723,214</b>

(Amount in ₹)

Particulars	Ageing as on 1 <sup>st</sup> April 2016					Total
	Carrying Amount	On demand	< 6 months	6-12 months	> 1 years	
Borrowings	2,136,905,287	-	329,415,680	-	1,807,489,607	2,136,905,287
Trade payable	565,293,429	-	565,293,429	-	-	565,293,429
Other liabilities	1,386,599,270	-	1,375,103,310	-	11,495,960	1,386,599,270
<b>TOTAL</b>	<b>4,088,797,986</b>	<b>-</b>	<b>2,269,812,419</b>	<b>-</b>	<b>1,818,985,567</b>	<b>4,088,797,986</b>

## Capital risk management

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

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

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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

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

**The Gearing ratio for FY 2017-18 and 2016-17 is an under.**

(Amount in ₹)

Particulars	As of 31 <sup>st</sup> March 2018	As of 31 <sup>st</sup> March 2017
Loans and borrowings	1,975,714,990	2,103,108,247
Less: cash and cash equivalents	26,520,457	9,464,046
Net debt	1,949,194,533	2,093,644,201
Equity	863,086,744	(112,539,049)
Total capital	2,812,281,277	1,981,105,152
Gearing ratio	69.31%	105.68%

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

## 37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>						
Fixed deposits with banks	247,031,357	247,031,357	270,031,164	270,031,164	269,287,910	269,287,910
Cash and bank balances	26,520,457	26,520,457	9,464,046	9,464,046	9,477,768	9,477,768
Investment	3	3	3	3	118,323	118,323
Trade and other receivables	1,889,430,194	1,889,430,194	1,168,393,249	1,168,393,249	1,343,560,778	1,343,560,778
Other financial assets	65,904,446	65,904,446	66,629,357	66,629,357	55,044,120	55,044,120
	<b>2,228,886,457</b>	<b>2,228,886,457</b>	<b>1,514,517,819</b>	<b>1,514,517,819</b>	<b>1,677,488,898</b>	<b>1,677,488,898</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		1 <sup>st</sup> April 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial liabilities designated at amortised cost</b>						
Trade & other payables	913,928,738	913,928,738	191,862,417	191,862,417	565,293,429	565,293,429
Other financial liabilities	96,228,978	96,228,978	981,138,840	981,138,840	1,344,382,334	1,344,382,334
<b>Financial liabilities designated at fair value through profit and loss</b>						
Borrowings- fixed rate	1,975,714,990	1,975,714,990	2,103,108,247	2,103,108,247	2,136,905,287	2,136,905,287
	<b>2,985,872,706</b>	<b>2,985,872,706</b>	<b>3,276,109,504</b>	<b>3,276,109,504</b>	<b>4,046,581,049</b>	<b>4,046,581,049</b>

## Fair Value hierarchy

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

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

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

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

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

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

## Assets / Liabilities for which fair value is disclosed

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2018		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		1,975,714,990	
Other Financial Liabilities		1,010,157,716	

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2017		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,005,615,037	
Other Financial Liabilities		1,173,001,257	

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2016		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		720,894,458	
Other Financial Liabilities		1,898,179,803	

## Assets / Liabilities for which fair value is accounted for (Fair Value)

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2017		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		97,493,211	

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2016		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		1,427,506,789	

During the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018, respectively:

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

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



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 38. SEGMENT INFORMATION

### Information about primary segment

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

### Information about Geographical Segment – Secondary

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

## 39. RETIREMENT BENEFIT OBLIGATIONS

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

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Company's contribution to provident fund	6,874,904	6,528,394
Company's contribution to ESI	1,106,787	613,327
<b>TOTAL</b>	<b>7,981,691</b>	<b>7,141,721</b>

The following table sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Balance Sheet as on 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017, being the respective measurement dates:

### (b) Movement in obligation

(Amount in ₹)

Particulars	Gratuity (funded)	Leave encashment (unfunded)
<b>Present value of obligation - 1<sup>st</sup> April 2016</b>	19,697,107	11,890,137
Current service cost	2,724,586	1,364,577
Interest cost	1,477,283	915,541
Benefits paid	-	(622,799)
Remeasurements - actuarial loss/ (gain)	2,946,103	(504,992)
<b>Present value of obligation - 31<sup>st</sup> March 2017</b>	<b>26,845,079</b>	<b>13,042,464</b>
<b>Present value of obligation - 1<sup>st</sup> April 2017</b>	26,845,079	13,042,464
Current service cost	3,189,919	1,367,518
Plan amendments past service cost	3,323,806	-
Interest cost	2,013,381	912,972
Benefits paid	-	(876,332)
Remeasurements - actuarial loss/ (gain)	333,751	(1,803,974)
<b>Present value of obligation - 31<sup>st</sup> March 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## (c) Movement in Plan Assets - Gratuity

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Fair value of plan assets at beginning of year	22,297,623	20,620,881
Expected return on plan assets	1,672,322	1,649,670
Employer contributions	-	-
Benefits paid	-	-
Actuarial gain / (loss)	(217,219)	27,072
<b>Fair value of plan assets at end of year</b>	<b>23,752,726</b>	<b>22,297,623</b>
Present value of obligation	(35,705,936)	(26,845,079)
Net funded status of plan	23,752,726	22,297,623
<b>Actual return on plan assets</b>	<b>(11,953,210)</b>	<b>(4,547,456)</b>

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

## (d) Recognised in profit and loss

(Amount in ₹)

Particulars	Gratuity	Leave encashment
Current Service cost	2,724,586	1,364,577
Interest cost	(172,387)	915,541
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	(504,992)
<b>For the year ended 31<sup>st</sup> March 2017</b>	<b>2,552,199</b>	<b>1,775,126</b>
Current Service cost	3,189,919	1,367,518
Plan amendments past service cost	3,323,806	-
Interest cost	341,059	912,972
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	(1,803,974)
<b>For the year ended 31<sup>st</sup> March 2018</b>	<b>6,854,784</b>	<b>476,516</b>

## (e) Recognised in Other comprehensive income

(Amount in ₹)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	-
<b>For the year ended 31<sup>st</sup> March 2017</b>	<b>2,919,030</b>
Remeasurement - Actuarial loss/(gain)	-
<b>For the year ended 31<sup>st</sup> March 2018</b>	<b>550,970</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

(Amount in ₹)

Weighted average actuarial assumptions	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Attrition rate	10% PA	10% PA
Discount Rate	7.50% PA	7.50% PA
Expected Rate of increase in salary	8% PA	8% PA
Expected Rate of Return on Plan Assets	7.5 % PA	8 % PA
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	14 years	15 years

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2014-15 as considered in previous GAAP on transition to IND AS.

- (g) Sensitivity analysis:

For the year ended 31<sup>st</sup> March 2017

(Amount in ₹)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumption	Effect on leave encashment obligation
Discount rate	+ 0.5%	25,496,382	+ 1%	12,470,182
	- 0.5%	28,305,183	- 1%	13,670,664
Salary Growth rate	+ 0.5%	28,044,517	+ 1%	13,652,718
	- 0.5%	25,707,921	- 1%	12,475,254
Attrition Rate	+ 0.5%	26,839,173	+ 1%	-
	- 0.5%	26,850,985	- 1%	-

For the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumption	Effect on leave encashment obligation
Discount rate	+ 0.5%	34,030,256	+ 1%	12,104,736
	- 0.5%	37,515,513	- 1%	13,232,338
Salary Growth rate	+ 0.5%	37,307,704	+ 1%	13,218,312
	- 0.5%	34,210,928	- 1%	12,107,100
Attrition Rate	+ 0.5%	35,694,510	+ 1%	-
	- 0.5%	35,717,362	- 1%	-

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

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

(Amount in ₹)

Particulars	Gratuity
01 Apr 2018 to 31 Mar 2019	2,368,056
01 Apr 2019 to 31 Mar 2020	1,287,000
01 Apr 2020 to 31 Mar 2021	4,088,137
01 Apr 2021 to 31 Mar 2022	2,871,542
01 Apr 2022 to 31 Mar 2023	4,156,408
01 Apr 2023 Onwards	74,464,785

**(i) Statement of Employee benefit provision**

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Gratuity	35,705,936	26,845,079
Leave encashment	12,642,648	13,042,464
<b>TOTAL</b>	<b>48,348,584</b>	<b>39,887,543</b>

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

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

For the year ended 31<sup>st</sup> March 2017

(Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	246,561	2,017,241
Non current provision	4,300,894	11,025,223
<b>TOTAL PROVISION</b>	<b>4,547,455</b>	<b>13,042,464</b>

For the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	764,596	2,205,638
Non current provision	11,188,613	10,437,010
<b>TOTAL PROVISION</b>	<b>11,953,209</b>	<b>12,642,648</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## (k) Employee benefit expenses

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Salaries and Wages	146,026,030	135,613,291
Costs-defined contribution plan	7,981,691	7,141,721
Welfare expenses	5,641,172	5,555,260
<b>TOTAL</b>	<b>159,648,893</b>	<b>148,310,272</b>

(Figure in No.)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Average no. of people employed	359	369

### Other Comprehensive Income presentation of defined benefit plan

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

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

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

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

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

## 40. OTHER DISCLOSURES

### (a) Auditors Remuneration

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>Statutory Auditors</b>		
Audit Fee	1,550,000	1,500,000
Tax Audit Fee	150,000	150,000
Taxation Matters	50,000	90,000
Certification	50,000	104,536
Out of Pocket Expenses	49,547	36,100
<b>TOTAL</b>	<b>1,849,547</b>	<b>1,880,636</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

**(b) Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.**

- Investment made given under the Investment Schedule of balance sheet

## 41. CONTINGENT LIABILITIES

### i) Guarantees

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Financial Bank Guarantees outstanding	50,321,907	38,228,204	35,530,200
Performance Bank Guarantees outstanding	198,009,386	260,878,328	444,196,627
	<b>248,331,293</b>	<b>299,106,532</b>	<b>479,726,827</b>

### ii) Duties & Taxes

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Income Tax			
- Demands under appeal	-	-	44,298,650
Excise demands under appeal	40,802,484	217,499,086	222,102,658
Service Tax demands under appeal	21,593,235	31,577,466	31,587,069
Custom duty demand due to denial of concessional custom duty, under appeal	4,862,721	5,911,047	6,434,896
	<b>67,258,440</b>	<b>254,987,599</b>	<b>304,423,273</b>

### iii) Other Contingent Liabilities

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unutilized Letter of Credits	-	-	6,839,600
Outstanding Bill discounted	111,730,104	75,191,924	179,941,540
Claims Against the Company not acknowledged as Debt	5,205,254	9,115,454	9,201,854

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 42. ESTIMATED AMOUNT OF CONTRACT REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR (NET OF ADVANCES)

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Property, Plant & Equipment	11,069,073	-	-

## 43. RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

### Related party name and relationship

#### a) Subsidiary Companies

Paramount Holdings Limited, Cyprus

"06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in Administration/Liquidation)

AEI Power Cables Limited, United Kingdom

#### b) Other related parties in the Group where common control exists:

Paramount Telecables Limited

#### c) Key Management Personnel

Shri Sanjay Aggarwal, Chairman and CEO

Shri Sandeep Aggarwal, Managing Director

Shri Shambhu Kumar Agarwal, Chief Financial Officer

Ms Tannu Sharma, Company Secretary

#### d) Relatives of Key Managerial Personnel with whom transactions have taken place:

Mrs. Shashi Aggarwal

Mrs. Archana Aggarwal

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Related Party Transactions:

Description	Current Year 2017-18				Previous Year 2016-17			
	Subsidiaries of the Company	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Subsidiaries of the Company	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place
<b>(Amount in ₹)</b>								
<b>I Rent Paid</b>								
Paramount Telecables Limited	-	20,718,330	-	-	-	20,856,106	-	-
<b>II Loan received from Directors</b>								
Mr. Sanjay Aggarwal	-	-	48,250,000	-	-	-	-	-
Mr. Sandeep Aggarwal	-	-	42,890,000	-	-	-	-	-
<b>III Interest on Loans</b>								
Mr. Sanjay Aggarwal	-	-	194,664	-	-	-	-	-
Mr. Sandeep Aggarwal	-	-	166,436	-	-	-	-	-
<b>IV Amount Paid (TDS on Interest)</b>								
Mr. Sanjay Aggarwal	-	-	19,466	-	-	-	-	-
Mr. Sandeep Aggarwal	-	-	16,644	-	-	-	-	-
<b>V Equity Shares Allotment including share premium</b>								
Paramount Telecables Limited	-	18,191,250	-	-	-	-	-	-
Mrs. Shashi Aggarwal	-	-	-	32,434,500	-	-	-	-
Mrs. Archana Aggarwal	-	-	-	32,434,500	-	-	-	-
<b>VI Redemption of 0% Non-Convertible redeemable Preference Shares including premium on redemption</b>								
	-	92,756,250	-	-	-	-	-	-
<b>VII Remuneration to Key Managerial Personnel (KMP)</b>								
Mr. Sanjay Aggarwal, Chairman and CEO	-	-	4,935,969	-	-	-	4,833,880	-
Mr. Sandeep Aggarwal, Managing Director	-	-	4,866,819	-	-	-	4,728,370	-
Mr. Shambhu Kumar Aggarwal, Chief Financial Officer	-	-	2,480,012	-	-	-	2,205,609	-
Mrs. Tannu Sharma, Company Secretary	-	-	675,713	-	-	-	585,775	-

## Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

**Related Party Balances:**

[illegible]

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Remuneration to Key Managerial Personnel (KMP)

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Short-Term employee benefits*	11,451,121	10,962,196
Post-Employment benefits		
- Defined contribution plan\$	984,960	962,640
- Defined benefit plan#	522,433	428,798
<b>TOTAL</b>	<b>12,958,514</b>	<b>12,353,634</b>

\* Including bonus and commission on accrual basis and value of perquisites

\$ including PF and any other benefit

# including leave encashment, gratuity and any other benefit

## 44. EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

Number of shares

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Number of Equity Shares at the beginning of the year	125,233,465	125,233,465
Add: Weighted average number of equity shares issued during the year	6,970,784	-
Add: Weighted average no of Equity Shares for FCCB	781,249	-
Weighted average number of Equity shares for Basic EPS (A)	132,985,498	125,233,465
Weighted average number of equity shares for Diluted EPS (B)	132,985,498	125,233,465

Net profit /(loss) available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Net Profit /(Loss) after Taxation (₹)	146,929,741	147,183,314
Basic Earnings per Share (₹)	1.10	1.18
Diluted Earnings per Share (₹)	1.10	1.18
Par Value of each Equity Share (₹)	2	2

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 45. IMPAIRMENT REVIEW

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- midterm market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required

## 46. EXCEPTIONAL ITEMS

(Amount in ₹)		
Description of exceptional items - Profit	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Written Back on Settlement of Loan Liabilities	227,514,631	873,898,812
Written Back of Interest	42,479,331	-
<b>TOTAL</b>	<b>269,993,962</b>	<b>873,898,812</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 47. FOREIGN CURRENCY FLUCTUATION ON LONG TERM BORROWING

The Company has opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS -101, on all long term foreign currency borrowings outstanding on 31<sup>st</sup> March 2016. Accordingly, the Company has capitalised such exchange fluctuation to Property, Plant and Equipment of ₹ 1,44,000/- and ₹ (51,84,000/-) for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 respectively.

Details are as below

(Amount in ₹)		
Assets	Financial Year 2017-18	Financial Year 2016-17
Building	45,732	(1,646,358)
Plant and Equipment	90,520	(3,258,704)
Furniture & Fixtures	5,125	(184,504)
Software	2,623	(94,434)
<b>TOTAL</b>	<b>144,000</b>	<b>(5,184,000)</b>

## 48. OPERATING LEASE:

The Company has entered into lease transactions mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 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 ₹ 22,433,324/- (Previous year ₹ 22,615,006/-) for the leases, which commenced on or after 1<sup>st</sup> April 2001.

Minimum lease payments under non-cancellable operating leases are:

(Amount in ₹)			
Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Minimum Lease Payments</b>			
Not later than one year	2,06,66,664	2,06,66,664	2,06,66,664
Later than one year but not later than five years	1,44,99,998	3,51,66,662	5,58,33,326
Later than five years	-	-	-

## 49. DISCLOSURES REQUIRED AS PER INDIAN ACCOUNTING STANDARD (IND AS) 101- FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD

### Transition to IND AS

#### Basis of preparation

For all period up to and including the year ended 31<sup>st</sup> March 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31<sup>st</sup> March 2018, are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after 1<sup>st</sup> April 2017, as described in the accounting policies. In preparing these financial statements, the Company's opening

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

Balance Sheet was prepared as of 1<sup>st</sup> April 2016, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as of 1<sup>st</sup> April 2017 and its previously published Indian GAAP financial statements for the year ended 1<sup>st</sup> March 2017.

## Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for 1<sup>st</sup> April 2016 opening balance sheet.

### I. Exemptions availed

1. The Company has elected to measure items of Property, Plant and Equipment and intangible assets at the date of transition to IND AS at their fair value. Company has used the fair value of assets, which is considered as deemed cost on transition. The impact on fair valuation of Property, Plant and Equipment and intangible assets on transition from previous GAAP is Rupees 71,77,40,703/- and the deemed cost considered on transition including intangible assets is ₹ 146,59,65,174/-. The details of the same on each line item is described below:-

(Amount in ₹)

Description	Deemed Cost	Impact of Fair Value
Land		
Freehold Land	230,235,130	217,613,800
Lease hold Land	290,187,000	221,131,885
Buildings	220,672,344	63,970,020
Plant and Machinery	692,085,438	213,729,875
Office Equipment	2,845,880	(23,912 )
Furniture & Fixtures	17,156,875	(638,159 )
Lease Hold Improvement	5,234,030	477,990
Vehicles	4,007,031	517,338
Computer (Software)	3,541,446	961,866
<b>TOTAL</b>	<b>1,465,965,174</b>	<b>717,740,703</b>

Life and salvage value of assets has been revisited on transition date and revised estimated life less life expired on date of transition has been considered as revised life for all assets. The impact of change in life and salvage value is provided in Note no 5.

2. Under previous GAAP, company was carrying assets of one location at revaluation assessed on 31<sup>st</sup> March 2016, to fair value assets with corresponding increase in revaluation reserve. On transition to IND AS the Company has elected not to carry those assets at revaluation done under previous GAAP and those assets are fair valued as on transition date. On transition revaluation reserve has been adjusted against retained earnings. The impact of such measurement is provided in summary of effect of transition.

3. Investments in subsidiaries and other investment.

The Company has elected to recognise investment in subsidiaries at previous GAAP carrying values on the date of transition. Other investments are accounted for at fair value.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 4. Long Term Foreign Currency Monetary Items

The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per the previous GAAP, accordingly the Company has continued the capitalisation of foreign exchange fluctuation on long term loan outstanding on the date of transition i.e 1<sup>st</sup> April 2016 and such capitalised amount is amortised over the remaining useful life of the asset. Refer Note no 47 for exchange differences capitalised during 2016-17 and 2017-18.

## 5. The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19

- i. The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and
- ii. The experience adjustments arising on;
  - a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and
  - b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was not difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to IND AS, the Company has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in profit and loss account.

## 6. Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

## 7. Fair value of stressed borrowings under assignment/settlement.

The Company has fair valued certain stressed borrowings through profit and loss account which are under assignment/settlement.

## 8. Security Deposit

Under Previous IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

## 9. Foreign Currency Convertible Bonds (FCCB) financial Instrument

Foreign Currency Convertible Bonds (FCCB) is treated as liability under Indian GAAP.

Under IND AS Foreign Currency Convertible Bonds (FCCB) with fixed to fixed conversion of shares is accounted for as equity.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 10. Compound financial instrument

- (i) Under Indian GAAP, -0% Non-Convertible Redeemable Preference Shares are accounted for as Share Capital. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible preference shares. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

## 11. Re measurement of defined benefit plan i.e. gratuity is accounted for in other comprehensive income.

### Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS

### Reconciliation of Balance sheet as at 1<sup>st</sup> April 2016

(Amount in ₹)

Particulars	Reference Note	INDIAN (GAAP)	Adjustments	IND AS
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and equipment	1	745,644,891	716,778,837	1,462,423,728
(b) Other Intangible assets	1	2,579,580	961,866	3,541,446
(c) Financial Assets				
(i) Investments	3	168,003	(49,680)	118,323
(ii) Loans	8	6,378,964	(5,548,202)	830,762
(iii) Others	8	157,242,784	4,047,021	161,289,805
(d) Other non-current assets		7,039,241	-	7,039,241
		<b>919,053,463</b>	<b>716,189,842</b>	<b>1,635,243,304</b>
<b>2 Current assets</b>				
(a) Inventories		538,798,171	-	538,798,171
(b) Financial Assets				
(i) Trade Receivables		1,337,734,003	-	1,337,734,003
(ii) Cash and cash equivalents		9,477,768	-	9,477,768
(iii) Bank Balances other than (ii) above		137,367,198	-	137,367,198
(iv) Loans		4,996,012	-	4,996,012
(v) Others		25,675,027	-	25,675,027
(c) Current Tax Assets(Net)		16,016,184	-	16,016,184
(d) Other current assets	8	140,900,941	1,501,181	142,402,122
		<b>2,210,965,304</b>	<b>1,501,181</b>	<b>2,212,466,486</b>
<b>Total Assets</b>		<b>3,130,018,767</b>	<b>717,691,023</b>	<b>3,847,709,790</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Reference Note	INDIAN (GAAP)	Adjustments	IND AS
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	10	326,966,930	(76,500,000)	250,466,930
(b) Other Equity		(3,681,393,451)	3,177,948,188	(503,445,263)
		<b>(3,354,426,521)</b>	<b>3,101,448,188</b>	<b>(252,978,333)</b>
<b>2 Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowing	7 & 9	4,191,246,772	(2,383,757,165)	1,807,489,607
(ii) Other		11,495,960	-	11,495,960
(b) Provisions		9,704,994	-	9,704,994
		<b>4,212,447,726</b>	<b>(2,383,757,165)</b>	<b>1,828,690,561</b>
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowing		329,415,680	-	329,415,680
(ii) Trade payables		565,293,429	-	565,293,429
(iii) Other		1,332,886,374	-	1,332,886,374
(b) Other current liabilities		42,216,936	-	42,216,936
(c) Provisions		2,185,143	-	2,185,143
		<b>2,271,997,562</b>	<b>-</b>	<b>2,271,997,562</b>
<b>TOTAL Equity and Liabilities</b>		<b>3,130,018,767</b>	<b>717,691,023</b>	<b>3,847,709,790</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Reconciliation of other equity as at 1<sup>st</sup> April 2016

(Amount in ₹)

Particulars	Equity component of convertible instruments	Capital Reserve	Securities Premium Account	Revaluation Reserve	FCMITDA	General Reserve	Retained Earnings	Total impact on Other equity
<b>As at 31<sup>st</sup> March 2016 (IGAAP) (A)</b>	-	3,031,100	678,279,437	8,838,353	(9,363,567)	25,403,272	(4,387,582,046)	(3,681,393,451)
<b>Adjustments:</b>								
Add: Equity component of Perference Share	7,864,573						-	7,864,573
Add: Fair Valuation of Property, plant and equipments							717,740,703	717,740,703
Less: Fair Valuation of quoted non-current Investments							(49,680)	(49,680)
Add: Fair Valuation of Loans							2,452,392,592	2,452,392,592
Reversal of FCMITDA to retained earning					9,363,567		(9,363,567)	-
Reversal of revaluation reserve to retained earning				(8,838,353)			8,838,353	-
<b>Total IND AS adjustments (B)</b>	<b>7,864,573</b>	<b>-</b>	<b>-</b>	<b>(8,838,353)</b>	<b>9,363,567</b>	<b>-</b>	<b>3,169,558,401</b>	<b>3,177,948,188</b>
<b>As at 31<sup>st</sup> March 2016 (Ind AS (A) + (B))</b>	<b>7,864,573</b>	<b>3,031,100</b>	<b>678,279,437</b>	<b>-</b>	<b>-</b>	<b>25,403,272</b>	<b>(1,218,023,645)</b>	<b>(503,445,263)</b>

## Principal differences between IND AS and Indian GAAP

Measurement and recognition difference for year ended 31<sup>st</sup> March 2017

### 1. Asset carried at Deemed cost in IND AS

The Company has elected to measure items of PPE at the date of transition to IND AS at their fair value. Company has used the fair value of assets of assets, which is considered as deemed cost on transition. The impact of such fair value is disclosed in Exemption availed under para 41 above. The Company has not revalued fair value of any items of PPE subsequent to the year ended 31<sup>st</sup> March 2016.

### 2. Financial instruments

#### i. Fair valuation of financial assets and liabilities

Under Indian GAAP, receivables and payables were measured at transaction cost less allowances for impairment, if any. Under IND AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expense or finance income in the Statement of Profit and Loss for financial liabilities and financial assets respectively.

### 3. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.

### 4. Security Deposit

Under Previous IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognizing the notional interest income under 'other income'.

### 5. Compound financial instrument

Under Indian GAAP, -0% Non-Convertible Redeemable Preference Shares are accounted for as Share Capital. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible preference shares. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 6. Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

## 7. Statement of Cash Flows

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.

8. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.

Subsequent reconciliations post transition on 31<sup>st</sup> March 2017

### Reconciliation of other equity as at 31<sup>st</sup> March 2017

(Amount in ₹)						
Particulars	Equity component of convertible instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	OCI
As at 31 <sup>st</sup> March 2017 (IGAAP) (A)	-	3,031,100	674,454,437	25,403,272	(4,390,714,878)	-
Adjustments:						
Difference in other equity on transition on 1.4.16	7,864,573	-	-	-	3,169,558,401	3,177,422,974
Add: Difference in profit or loss for 2016-17	-	-	-	-	150,316,145	(2,919,030)
<b>Total IND AS adjustments (B)</b>	<b>7,864,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,319,874,547</b>	<b>(2,919,030)</b>
<b>As at 31<sup>st</sup> March 2017 (Ind AS) (A) + (B)</b>	<b>7,864,573</b>	<b>3,031,100</b>	<b>674,454,437</b>	<b>25,403,272</b>	<b>(1,070,840,331)</b>	<b>(363,005,979)</b>

### Reconciliation of Balance sheet as at 31<sup>st</sup> March 2017

(Amount in ₹)				
Particulars	Note	INDIAN (GAAP)	Adjustments	IND AS
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and equipment	1	658,952,026	710,015,164	1,368,967,190
(b) Other Intangible assets	1	7,521,517	1,299,460	8,820,977
(c) Financial Assets				
(i) Investments		3	-	3
(ii) Loans	4	4,826,969	(4,240,763)	586,206
(iii) Others	4	159,598,550	2,545,839	162,144,390
		<b>830,899,065</b>	<b>709,619,700</b>	<b>1,540,518,765</b>
<b>2 Current assets</b>				
(a) Inventories		133,105,382	-	133,105,382
(b) Financial Assets				
(i) Trade Receivables		1,162,009,565	-	1,162,009,565
(ii) Cash and cash equivalents		9,464,046	-	9,464,046
(iii) Bank Balances other than (ii) above		146,927,411	-	146,927,411
(iv) Loans		5,797,478	-	5,797,478
(v) Others		32,126,780	-	32,126,780

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Note	INDIAN (GAAP)	Adjustments	IND AS
(c) Current Tax Assets(Net)		18,251,203	-	18,251,203
(d) Other current assets	4	160,072,272	1,501,181	161,573,454
		<b>1,667,754,137</b>	<b>1,501,181</b>	<b>1,669,255,318</b>
<b>Total Assets</b>		<b>2,498,653,202</b>	<b>711,120,882</b>	<b>3,209,774,084</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	5	326,966,930	(76,500,000)	250,466,930
(b) Other Equity		(3,687,826,069)	3,324,820,090	(363,005,978)
		<b>(3,360,859,139)</b>	<b>3,248,320,090</b>	<b>(112,539,048)</b>
<b>2 Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowing	6	4,494,449,954	(2,612,087,204)	1,882,362,750
(b) Provisions		15,326,117	-	15,326,117
		<b>4,509,776,071</b>	<b>(2,612,087,204)</b>	<b>1,897,688,867</b>
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowing	6	152,110,070	68,635,427	220,745,497
(ii) Trade payables		191,862,417	-	191,862,417
(iii) Other	7	974,886,271	6,252,568	981,138,840
(b) Other current liabilities		28,613,710	-	28,613,710
(c) Provisions		2,263,802	-	2,263,802
		<b>1,349,736,270</b>	<b>74,887,995</b>	<b>1,424,624,265</b>
<b>TOTAL Equity and Liabilities</b>		<b>2,498,653,203</b>	<b>711,120,881</b>	<b>3,209,774,084</b>

## Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017

(Amount in ₹)

	As per IGAAP	Adjustments	Ind AS
(I) Revenue from operations	3,501,311,415	(1,427,089)	3,499,884,327
(II) Other income	43,170,274	106,002	43,276,276
<b>(III) Total Revenue (I+II)</b>	<b>3,544,481,689</b>	<b>(1,321,087)</b>	<b>3,543,160,603</b>
<b>(IV) Expenses:</b>			
Cost of materials consumed	2,532,915,589	-	2,532,915,589
Changes in inventory of finished goods, work in progress and Stock-in-trade	328,709,443	(19,493,101)	309,216,342
Employee benefits expenses	151,229,302	(2,919,030)	148,310,272
Finance costs	189,519,722	6,252,568	195,772,290
Depreciation and amortization expenses	81,658,112	15,264,432	96,922,544
Excise Duty	344,515,933	-	344,515,933
Other expenses	633,270,620	8,952,511	642,223,131
<b>Total expenses</b>	<b>4,261,818,721</b>	<b>8,057,380</b>	<b>4,269,876,100</b>
<b>Profit/(Loss) Before exceptional items and Tax</b>	<b>(717,337,032)</b>	<b>(9,378,466)</b>	<b>(726,715,498)</b>
Exceptional Items	714,204,200	159,694,612	873,898,812

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

	As per IGAAP	Adjustments	Ind AS
<b>(V) Profit before tax</b>	<b>(3,132,832)</b>	<b>150,316,145</b>	<b>147,183,314</b>
<b>(VI) Less-Tax Expenses :</b>			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-
(3) Previous Year Taxation Adjustment	-	-	-
(4) MAT Credit Entitlement	-	-	-
	-	-	-
		-	
<b>(VII) Profit for the year after tax (V-VI)</b>	<b>(3,132,832)</b>	<b>150,316,145</b>	<b>147,183,314</b>
<b>(VIII) Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit plans	-	(2,919,030)	(2,919,030)
Income tax effect	-	-	-
<b>Total Other comprehensive income</b>	<b>-</b>	<b>(2,919,030)</b>	<b>(2,919,030)</b>
<b>(IX) Total Comprehensive Income for the year (VII+VIII)</b>	<b>(3,132,832)</b>	<b>147,397,115</b>	<b>144,264,284</b>
<b>(X) Earning per equity share:</b>			
(1) Basic	(0.03)		1.18
(2) Diluted	(0.03)		1.18

## Notes on adjustment of Profit & Loss Account:

1. Turnover Discount (TOD) has been reduced from turnover.
2. There is an effect of interest and rental expenses on security deposit given.
3. Excise duty provision on closing inventories has been taken in "Changes in Inventories" under Ind AS. Under Indian GAAP, the same was taken in other expenses.
4. 0% Redeemable Preference Shares has been treated as Compound Financial Instrument which has resulted in adjustment of Finance Cost under Ind AS.
5. Fair Value of Property, Plant and Equipment and change in life is having an effect on depreciation.
6. Fair value of loan liabilities.
7. Foreign Currency Monetary Items Translation Difference Account of External Commercial Borrowing has been accounted for in Profit and Loss Account under Ind AS. The same was taken in reserves under Indian GAAP.



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March 2018

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended 31<sup>st</sup> March 2017  
Reconciliation of total comprehensive income for the year ended as at 31st march,2017

(Amount in ₹)

Particulars	31 <sup>st</sup> March, 2017
<b>Profit after tax as per Indian GAAP</b>	<b>(3,132,832)</b>
<b>Adjustments:</b>	
Recognition of Interest on fair value of security deposit given	1,307,439
Change in depreciation due to fair value of fixed assets and change in useful life of assets	(15,264,432)
Reclassification of actuarial gain and losses on defined benefit plans to Other Comprehensive Income	2,919,030
Recognition of Rental expenses on security deposits	(1,501,181)
Recognition of Interest on fair value of Preference Share	(6,252,568)
Decrease of loss on sale of non -current investment due to fair valuation of opening balance	49,680
Reversal of amortisation of Foreign Currency Monetary item difference account during the year	9,363,566
Fair valuation of loans liabilities under exceptional items	159,694,612
<b>Total Adjustments</b>	<b>150,316,145</b>
<b>Profit after tax as per Ind AS</b>	<b>147,183,314</b>
Other comprehensive income Gain/(Loss)(net of tax)	(2,919,030)
<b>Total comprehensive income as per Ind AS</b>	<b>144,264,284</b>

50. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
51. Notes 1 to 50 are annexed and form integral part of Financial Statements.

## As per our Report of even date attached

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

**Pawan Bholusaria**  
Partner (M.No. 80691)  
**Place : New Delhi**  
**Date : 9<sup>th</sup> May 2018**

## For and on behalf of Paramount Communications Limited

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

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

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

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

# Independent Auditors' Report

## TO THE MEMBERS OF PARAMOUNT COMMUNICATIONS LIMITED

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" to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year 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 Holding 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 (including Other Comprehensive Income), consolidated cash flow statement and consolidated statement of changes in Equity 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 Companies (Indian Accounting Standard) Rules, 2015 (as amended). 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 8(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 2018, their consolidated profit (including Other Comprehensive Income), their consolidated cash flows and consolidated statement of Changes in Equity for the year ended on that date.

**OTHER MATTERS**

8. (a) The financial statements of two subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ Nil and net assets of ₹ Nil as at 31<sup>st</sup> March 2018, total revenue of ₹ Nil and net profit of ₹ Nil, and net cash inflows of ₹ Nil for the year then ended have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the afore said subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

9. 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.

- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).
- On the basis of written representation received from the directors as on 31<sup>st</sup> March 2018, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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".
- 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:
  - The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 41 the Consolidated Financial Statements.
  - The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2018
  - There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2018

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

**Pawan Bholusaria**  
Partner  
M.No.080691

**Place: New Delhi**  
**Date: 9<sup>th</sup> May 2018**

## Annexure “A” to Independent Auditors’ Report

Referred to in paragraph 9(f) of the Independent Auditors’ Report of even date to the Board of Directors of **PARAMOUNT COMMUNICATIONS LIMITED** on the Consolidated financial statements for the year ended 31<sup>st</sup> March 2018

### 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 2018 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 2018, 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.

**P. Bholusaria & Co.**

Chartered Accountants  
Firm Registration No: 000468N

**Pawan Bholusaria**

Partner

M.No.080691

**Place: New Delhi**

**Date: 9<sup>th</sup> May 2018**

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment	5	1,295,595,628	1,368,967,190	1,462,423,728
(b) Other Intangible assets	6	7,702,287	8,820,977	3,541,446
(c) Financial Assets				
(i) Investments	7	1	1	118,321
(ii) Loans and Advances	8	117,160	586,206	830,762
(iii) Others	9	115,046,248	157,606,330	161,289,805
(d) Other non-current assets	10	3,036,878	4,538,059	7,039,240
		<b>1,421,498,202</b>	<b>1,540,518,763</b>	<b>1,635,243,302</b>
<b>2 Current assets</b>				
(a) Inventories	11	277,927,069	133,105,382	538,798,171
(b) Financial Assets				
(i) Trade Receivables	12	1,886,061,778	1,162,009,565	1,337,734,003
(ii) Cash and cash equivalents	13	26,520,457	9,464,046	11,082,091
(iii) Bank Balances other than (ii) above	14	167,666,626	146,927,411	137,367,198
(iv) Loans and Advances	15	3,251,256	5,797,478	4,996,012
(v) Others	16	30,222,929	32,126,780	25,675,027
(c) Current Tax Assets(Tax)	17	5,107,413	18,251,203	16,016,184
(d) Other current assets	18	82,527,563	161,573,454	142,404,010
		<b>2,479,285,091</b>	<b>1,669,255,319</b>	<b>2,214,072,696</b>
<b>Total Assets</b>		<b>3,900,783,293</b>	<b>3,209,774,082</b>	<b>3,849,315,998</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Equity Share Capital	19	285,804,930	250,466,930	250,466,930
(b) Other Equity	19.1	577,281,812	(363,005,981)	(502,520,190)
		<b>863,086,742</b>	<b>(112,539,051)</b>	<b>(252,053,260)</b>
<b>2 Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowing	20	1,884,250,000	1,882,362,750	1,807,489,607
(ii) Other financial liabilities	21	-	-	11,495,960
(b) Provisions	22	21,625,623	15,326,117	9,704,994
		<b>1,905,875,623</b>	<b>1,897,688,867</b>	<b>1,828,690,561</b>
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowing	23	91,464,990	220,745,497	329,415,680
(ii) Trade payables	24	-	-	-
Due to Micro and Small Enterprises		-	-	-
Others		913,928,738	191,862,417	565,293,429
(iii) Other	25	96,228,978	981,138,840	1,333,567,509
(b) Other current liabilities	26	27,227,988	28,613,710	42,216,936
(c) Provisions	27	2,970,234	2,263,802	2,185,143
		<b>1,131,820,928</b>	<b>1,424,624,266</b>	<b>2,272,678,697</b>
<b>Total Equity and Liabilities</b>		<b>3,900,783,293</b>	<b>3,209,774,082</b>	<b>3,849,315,998</b>

III See accompanying notes to the financial statements with Notes 1 to 51

As per our Report of even date attached

For and on behalf of Paramount Communications Limited

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

(Sanjay Aggarwal)

Chairman & CEO  
DIN No 00001788

(Sandeep Aggarwal)

Managing Director  
DIN No 00002646**Pawan Bholusaria**

Partner (M.No. 80691)

Place : New Delhi

Date : 9<sup>th</sup> May 2018

(S K Agarwal)

Chief Financial Officer  
Mem No 053595

(Tannu Sharma)

Company Secretary  
Mem No ACS 30622

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Revenue :</b>			
I. Revenue from operations	28	4,350,892,769	3,499,884,327
II. Other income	29	40,912,208	43,276,276
III. <b>Total Income (I + II)</b>		<b>4,391,804,977</b>	<b>3,543,160,603</b>
<b>IV. Expenses:</b>			
Cost of material consumed	30	3,581,804,713	2,532,915,589
Change in Inventories of finished goods, work-in-progress and scrap	31	(86,033,209)	309,216,342
Employee benefits expenses	32	159,648,893	148,310,272
Finance costs	33	44,835,791	195,780,118
Depreciation and amortization	34	92,250,492	96,922,544
Excise Duty		91,812,158	344,515,934
Other Expenses	35	630,550,360	643,140,377
<b>Total Expenses (IV)</b>		<b>4,514,869,198</b>	<b>4,270,801,176</b>
V. <b>Profit/(loss) Before exceptional items and Tax (III - IV)</b>		<b>(123,064,221)</b>	<b>(727,640,573)</b>
VI. Exceptional items (refer note no 46)		269,993,962	873,898,812
VII. <b>Profit/(Loss) before tax (V - VI)</b>		<b>146,929,741</b>	<b>146,258,239</b>
VIII. Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total Tax Expense (VIII)		-	-
IX. <b>Profit/(loss) for the year (VII - VIII)</b>		<b>146,929,741</b>	<b>146,258,239</b>
X. <b>Comprehensive Income</b>			
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		(550,970)	(2,919,030)
Income tax effect on above		-	-
		(550,970)	(2,919,030)
XI. <b>Total Comprehensive Income for the year (IX + X)</b> <b>(Comprehensive profit and other comprehensive income for the year)</b>		<b>146,378,771</b>	<b>143,339,209</b>
XII. <b>Earnings Per Equity Share:</b>			
(1) Basic		1.10	1.17
(2) Diluted		1.10	1.17

See accompanying notes to the financial statements with Notes 1 to 51

As per our Report of even date attached

For **P. Bholusaria & Co.**

Chartered Accountants

Firm Registration No. : 000468N

**Pawan Bholusaria**

Partner (M.No. 80691)

Place : New Delhi

Date : 9<sup>th</sup> May 2018

For and on behalf of Paramount Communications Limited

(Sanjay Aggarwal)

Chairman &amp; CEO

DIN No 00001788

(S K Agarwal)

Chief Financial Officer

Mem No 053595

(Sandeep Aggarwal)

Managing Director

DIN No 00002646

(Tannu Sharma)

Company Secretary

Mem No ACS 30622



# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	(123,064,221)	(727,640,573)
Adjustment for :		
Depreciation, amortization and impairment	92,250,492	96,922,544
Interest Expenses	39,926,592	184,015,108
Interest on fair valuation of Preference Share	1,612,005	6,252,568
Amortisation of security premium of Preference Share	(935,290)	(3,825,000)
Exchange Loss on FCCB	156,000	(5,616,000)
Loss / (Profit) on sale of assets(net)	-	(63,254)
Interest Income	(30,609,143)	(32,209,236)
Interest Income on fair valuation of Security Deposit	(1,444,720)	(1,307,439)
Bad debts written off	27,519,623	3,935,766
Provision for Doubtful debts/ Written back	(23,978,085)	115,791,163
	<b>104,497,474</b>	<b>363,896,220</b>
Operating Profit before working capital changes	<b>(18,566,747)</b>	<b>(363,744,353)</b>
Adjustment for :		
Decrease / (Increase) in Trade Receivables	(727,593,751)	55,997,510
Decrease / (Increase) in Loans & Advances	4,459,988	750,529
Decrease / (Increase) in Inventories	(144,821,687)	405,692,788
Decrease / (Increase) in Other Assets	125,011,005	(19,436,541)
(Decrease) / Increase in Trade Payables	722,066,322	(373,431,012)
(Decrease) / Increase in Other Liabilities & Provisions	(42,659,261)	(57,444,829)
	<b>(63,537,384)</b>	<b>12,128,445</b>
Cash generated from operation before exceptional items	<b>(82,104,131)</b>	<b>(351,615,908)</b>
Exceptional items		
Gain/(Loss) on Fair Valuation of Borrowing	269,993,962	873,898,812
Income Tax Paid	13,143,790	(2,235,019)
	<b>283,137,752</b>	<b>871,663,793</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>201,033,621</b>	<b>520,047,885</b>

# Consolidated Cash Flow Statement (Cont...)

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital WIP	(17,616,239)	(15,911,640)
Sale of Fixed Assets	-	2,045,357
Interest Received	30,609,143	32,209,236
(Increase)/Decrease in Current Investment	-	118,320
	<b>12,992,904</b>	<b>18,461,273</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>12,992,904</b>	<b>18,461,273</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(39,926,592)	(184,015,108)
Increase/(Decrease) in Borrowings from banks / ARC	(227,775,297)	(346,551,882)
Redemption of 0% Non-Convertible Redeemable Preference Shares	(92,756,250)	-
Loan From Directors	91,464,990	-
Issue of Equity Share Capital with premium	92,762,250	-
	<b>(176,230,899)</b>	<b>(530,566,990)</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(176,230,899)</b>	<b>(530,566,990)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>37,795,626</b>	<b>7,942,168</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>156,391,457</b>	<b>148,449,289</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>194,187,083</b>	<b>156,391,457</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>37,795,626</b>	<b>7,942,168</b>

**Note:**

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)
- Cash and cash equivalents consist of cash in hand and balances with banks.
- Borrowings from banks/ARC is net of repayments
- Figures in brackets represent outflow of cash.

As per our Report of even date attached

**For P. Bholusaria & Co.**

Chartered Accountants  
Firm Registration No. : 000468N

**Pawan Bholusaria**

Partner (M.No. 80691)

Place : New Delhi

Date : 9<sup>th</sup> May 2018

For and on behalf of Paramount Communications Limited

**(Sanjay Aggarwal)**

Chairman & CEO  
DIN No 00001788

**(S K Agarwal)**

Chief Financial Officer  
Mem No 053595

**(Sandeep Aggarwal)**

Managing Director  
DIN No 00002646

**(Tannu Sharma)**

Company Secretary  
Mem No ACS 30622

# Consolidated Statement of Changes In Equity

for the period ended 31<sup>st</sup> March 2018

## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

(Amount in ₹)

As at 1 <sup>st</sup> April 2016	Changes in equity share capital during the year 2016-17	Balance as at 31 <sup>st</sup> March 2017	Changes in equity share capital during the year 2017-18	Balance as at 31 <sup>st</sup> March 2018
250,466,930	-	250,466,930	35,338,000	285,804,930

### B. Other Equity

(Amount in ₹)

Particulars	Equity component of convertible instruments	Equity component of compound financial instruments**	Reserve and Surplus				items of Other comprehensive Income	Total
			Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Items that will not be classified to profit and loss Re-measurement of net defined benefit Plans	
Balance as at 1 <sup>st</sup> April 2016 (Ind AS)	-	7,864,573	3,031,100	678,279,437	25,403,272	(1,217,098,572)	-	(502,520,190)
Total Comprehensive Income for the year 2016-17						146,258,239		146,258,239
Premium on redemption of Preference Shares				(3,825,000)				(3,825,000)
Re-measurement of net defined benefit Plans							(2,919,030)	(2,919,030)
Balance as at 31 <sup>st</sup> March 2017	-	7,864,573	3,031,100	674,454,437	25,403,272	(1,070,840,333)	(2,919,030)	(363,005,981)
Total Comprehensive Income for the year 2017-18						146,929,741		146,929,741
Addition during the year				57,424,250				57,424,250
Premium on redemption of Preference Shares				(935,290)				(935,290)
Re-measurement of net defined benefit Plans							(550,970)	(550,970)
Equity component of compound financial instruments transferred to retain earning		(7,864,573)				7,864,573		-
Foreign currency convertible bond	737,420,062							737,420,062
Balance as at 31 <sup>st</sup> March 2018	737,420,062	-	3,031,100	730,943,397	25,403,272	(916,046,019)	(3,470,000)	577,281,812

\*Foreign Currency Convertible Bondholders have given their consent to convert 1500 nos outstanding bonds of USD 5000 each at a predetermined exchange rate of ₹ 44.99 at fixed price of ₹ 28.40 per equity share. The same are convertible into 11881500 equity share of ₹ 2/-each on or before 29<sup>th</sup> June 2018 subject to certain statutory approval.

\*\*Refer foot note to note no 20

As per our Report of even date attached

For **P. Bholusaria & Co.**

Chartered Accountants  
Firm Registration No. : 000468N

**Pawan Bholusaria**

Partner (M.No. 80691)

Place : New Delhi

Date : 9<sup>th</sup> May 2018

For and on behalf of Paramount Communications Limited

(**Sanjay Aggarwal**)

Chairman & CEO  
DIN No 00001788

(**S K Agarwal**)

Chief Financial Officer  
Mem No 053595

(**Sandeep Aggarwal**)

Managing Director  
DIN No 00002646

(**Tannu Sharma**)

Company Secretary  
Mem No ACS 30622

# Significant Accounting Policies and Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

### 1. CORPORATE AND GENERAL INFORMATION

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

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For these consolidated financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

Information of principal shareholders of the Parent is provided in Note no 19.

The Consolidated financial statement for the year ended 31<sup>st</sup> March 2016 are adopted and authorised for issue by board of directors of the Parent on dated 9<sup>th</sup> May 2018.

### 2. BASIS OF PREPARATION

The Company has adopted IND AS for the financial year beginning on 1<sup>st</sup> April 2017 with 1<sup>st</sup> April 2016 as the date of transition. These are the Company's first annual consolidated financial statements prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The consolidated financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at 1<sup>st</sup> April 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as of 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017 and on the net profit and cash flows for the year ended 31<sup>st</sup> March 2017 is disclosed in Note no.49 to these consolidated financial statements.

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

The preparation of the consolidated financial statements requires management to make estimates and assumptions.

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

### Basis of Consolidation

The consolidated financial statements have been prepared on the following principles:

The consolidated financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions and unrealised profits or losses in accordance with Indian Accounting Standards (IND AS 110) on "Consolidated financial Statements" notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rule 2015 as amended time to time.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Exchange Fluctuation Reserve.

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

Name of Company	Country of incorporation	Relationship	Ownership Interest
Paramount Holdings Limited (PHL)	Cyprus	Subsidiary	100.00%
AEI Power Cables Limited (APCL)	United Kingdom	Subsidiary	100.00%

# Significant Accounting Policies and Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

"06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration/Liquidation" (as per UK laws) w.e.f. 28<sup>th</sup> February 2014. The company has provided full impairment of investment in earlier years. Therefore, consolidated financial statements do not include financial position, financial performance and cash flows of this company.

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

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Measurement

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

- Certain financial assets and liabilities carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment on transition to IND AS (refer note no 5 to these consolidated financial statements)

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

### 3.2 Property, Plant and Equipment

- For transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. (refer note 5) Consequently the fair value has been assumed to be deemed cost of Property,

Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

- Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

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

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

### 3.3 Intangible Assets

Identifiable intangible assets are recognised:

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

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are

# Significant Accounting Policies and Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

## 3.4 Impairment of non-current assets

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

## 3.5 Cash and cash equivalents

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

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

## 3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

## 3.7 Employee benefits

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

## 3.8 Foreign currency reinstatement and translation

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

# Significant Accounting Policies and Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

The Company has availed the exemption available in IND AS 101, to continue capitalisation of foreign currency fluctuation on long term foreign currency monetary liabilities outstanding on transition date (refer sub note no 4 of Note No 49).

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

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

### Financial Assets

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

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

### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective

interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

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

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

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

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

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

### Investment in equity shares

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

### Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit



# Significant Accounting Policies and Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account. Other borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective rate of interest (EIR). The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

### Trade and other payables

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

### 3.10 Borrowing costs

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

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

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

### 3.11 Taxation

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

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

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

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

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing

# Significant Accounting Policies and Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

## 3.12 Revenue recognition and Other income

### Sale of Goods

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

### Interest

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

## 3.13 Recent accounting development

### Standards issued but not yet effective:

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1<sup>st</sup> April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Revenue is recognised when a customer obtains control of a promised good or service. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The Company is in the process of assessing the detailed potential impact of Ind AS 115, Revenue from Contracts with Customer on its financial statements and related disclosures. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

In March 2018, the Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which would be applicable for accounting periods beginning on or after 1<sup>st</sup> April 2018. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

Presently the Company is not able to reasonably estimate the impact of the application of the appendix B on the financial statements.

## 3.14 Earnings per share

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

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

## 3.15 Provisions and contingencies

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources

# Significant Accounting Policies and Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

## Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Consolidated financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

## 3.16 Operating Lease

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

## 3.17 Current /non-current classification

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

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

## 4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

# Significant Accounting Policies and Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

**(a) Property, plant and equipment**

External adviser and internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

On transition to IND AS, the Company has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment, impact of fair valuation is provided in Note no 49, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the Company has revisited useful life of various categories of assets, impact of revision in estimate of useful life of various assets is provided in Note no 5. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

**(b) Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets

and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

**(c) Contingencies**

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

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

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

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 5. PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)									
	Freehold Land	Lease hold Land	Buildings	Plant and Equipment	Furniture and Fixture	Lease hold Building improvement	Vehicles	Office Equipment	Total
<b>Gross Block</b>									
As at 1 <sup>st</sup> April 2016	230,235,130	290,187,000	220,672,344	692,085,438	17,156,875	5,234,030	4,007,031	2,845,880	1,462,423,728
Additions	-	-	-	1,181,614	42,281	-	593,516	2,471,831	4,289,242
Disposals/Adjustments	-	-	1,646,358	-	-	-	373,931	-	2,020,289
As at 31 <sup>st</sup> March 2017	230,235,130	290,187,000	219,025,986	693,267,052	17,199,156	5,234,030	4,226,616	5,317,711	1,464,692,681
Additions	-	-	45,732	15,095,010	267,445	-	217,575	1,147,195	16,772,957
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	230,235,130	290,187,000	219,071,718	708,362,062	17,466,601	5,234,030	4,444,191	6,464,906	1,481,465,638
<b>Accumulated Depreciation</b>									
As at 1 <sup>st</sup> April 2016	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	3,468,378	8,493,735	73,909,175	5,808,306	1,602,170	1,281,831	1,200,079	95,763,674
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	38,183	-	38,183
As at 31 <sup>st</sup> March 2017	-	3,468,378	8,493,735	73,909,175	5,808,306	1,602,170	1,243,648	1,200,079	95,725,491
Depreciation charge for the year	-	3,468,378	8,631,730	70,531,466	4,150,343	1,491,782	701,308	1,169,512	90,144,519
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	-	6,936,755	17,125,465	144,440,641	9,958,650	3,093,952	1,944,956	2,369,591	185,870,010
<b>Net Carrying Amount</b>									
At 1 April 2016	230,235,130	290,187,000	220,672,344	692,085,438	17,156,875	5,234,030	4,007,031	2,845,880	1,462,423,728
At 31 <sup>st</sup> March 2017	230,235,130	286,718,622	210,532,251	619,357,878	11,390,849	3,631,860	2,982,968	4,117,632	1,368,967,190
At 31 <sup>st</sup> March 2018	230,235,130	283,250,245	201,946,252	563,921,421	7,507,951	2,140,077	2,499,236	4,095,315	1,295,595,628

Note:-

- 1) Property, plant and equipment is hypothecated for long term borrowings from banks/ Assets Reconstruction Company. (Refer note no. 20)
- 2) The impact of change in depreciation for 2016-17 due to change in life result in lower depreciation by ₹ 13,391,952. (Refer Note 49)
- 3) The Company has elected to measure the items of Property, Plant and Equipment at their value on date of transition. (Refer note no 49)
- 4) Title deeds of factory land measuring 3,108.72 sq. mtr. at Prahlapdpur, Bawana Road, Delhi of ₹ 60,417,500 are yet to be registered/transferred in the name of company
- 5) The Company has capitalised such exchange fluctuation to Property, Plant and Equipment. (Refer Note no 47)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 6. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Other Intangibles (Software)	Total
<b>Gross Block</b>		
<b>As at 1<sup>st</sup> April 2016</b>	<b>3,541,446</b>	<b>3,541,446</b>
Addition during the year	6,438,401	6,438,401
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>9,979,847</b>	<b>9,979,847</b>
Addition during the year	987,282	987,282
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>10,967,129</b>	<b>10,967,129</b>
<b>Accumulated Depreciation</b>		
<b>As at 1<sup>st</sup> April 2016</b>	<b>-</b>	<b>-</b>
Charge for the year	1,158,870	1,158,870
Impairment	-	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>1,158,870</b>	<b>1,158,870</b>
Charge for the year	2,105,972	2,105,972
Impairment	-	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>3,264,842</b>	<b>3,264,842</b>
<b>Net Carrying Amount</b>		
<b>At 1<sup>st</sup> April 2016</b>	<b>3,541,446</b>	<b>3,541,446</b>
<b>At 31<sup>st</sup> March 2017</b>	<b>8,820,977</b>	<b>8,820,977</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>7,702,287</b>	<b>7,702,287</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 7. NON CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018			As at 31 <sup>st</sup> March 2017			As at 1 <sup>st</sup> April 2016		
	No. of Shares	Face Value (₹)	Amount	No. of Shares	Face Value (₹)	Amount	No. of Shares	Face Value (₹)	Amount
<b>a) Long Term (Quoted)</b>	-	-	-	-	-	-	4,800	10	118,320
Haryana Financial Corporation	-	-	-	-	-	-	<b>4,800</b>		<b>118,320</b>
<b>Aggregate amount of quoted investment (At Market Value)</b>			-			-			<b>118,320</b>
<b>b) Long Term-Non Trade (unquoted)</b>									
	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
06196375 Cables Limited (formerly AEI Cables Limited), United Kingdom. In administration liquidation	20000	£1 each	1	20000	£1 each	1	20000	£1 each	1
<b>Total</b>			<b>1</b>			<b>1</b>			<b>1</b>
<b>Aggregate amount of unquoted investment (Market value)</b>			<b>1</b>			<b>1</b>			<b>1</b>
<b>Grand Total</b>			<b>1</b>			<b>1</b>			<b>118,321</b>
<b>Aggregate value of quoted investments</b>						-			<b>168,000</b>
<b>Aggregate Market value of quoted investments</b>						-			<b>118,320</b>
<b>Aggregate value of unquoted investments</b>			<b>76</b>			<b>76</b>			<b>76</b>
<b>Aggregate amount of impairment in value of investments</b>			<b>75</b>			<b>75</b>			<b>75</b>

Aggregate Provision for diminution in value of investments has been made keeping in view that subsidiary "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration/liquidation w.e.f 28<sup>th</sup> February, 2014. The company has provided full impairment of investment in earlier years. Therefore, consolidated financial statements do not include financial position, financial performance and cash flows of this company.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 8. NON CURRENT LOANS AND ADVANCES (Unsecured, considered good)

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Staff Loans and Advances	117,160	586,206	830,762
<b>Total</b>	<b>117,160</b>	<b>586,206</b>	<b>830,762</b>

## 9. NON CURRENT OTHER FINANCIAL ASSETS (Unsecured, considered good)

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Security Deposits			
to related party *	12,451,798	12,451,798	12,451,798
to others	14,276,336	10,405,600	8,831,600
Interest Accrued but not due on fair valuation of Security Deposit to related party	2,752,159	1,307,438	-
Bank Deposits (with remaining maturity of more than 12 months)**	79,364,731	123,103,753	131,920,712
Interest Accrued but not due on fixed deposits	6,201,224	10,337,741	8,085,695
<b>Total</b>	<b>115,046,248</b>	<b>157,606,330</b>	<b>161,289,805</b>

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

\*\* Under lien/custody with banks.

## 10. OTHER NON-CURRENT ASSETS

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Capital Advance	1,992,220	1,992,220	2,992,220
Deferred Lease Rent	1,044,658	2,545,839	4,047,020
<b>Total</b>	<b>3,036,878</b>	<b>4,538,059</b>	<b>7,039,240</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 11. INVENTORIES

(as taken, valued and certified by the management)

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Raw Material	138,294,285	82,069,415	156,078,308
Work- in -progress	45,133,643	15,825,849	165,908,193
Finished goods	70,508,995	21,111,782	198,181,805
Stores and Spares	13,844,609	11,388,659	12,495,228
Packing materials	4,435,273	1,800,515	3,668,399
Scrap	5,710,264	909,162	2,466,238
<b>Total</b>	<b>277,927,069</b>	<b>133,105,382</b>	<b>538,798,171</b>

## 12. TRADE RECEIVABLES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Unsecured, considered good	1,886,061,778	1,162,009,565	1,337,734,003
Doubtful	206,730,978	230,709,063	114,917,900
	<b>2,092,792,756</b>	<b>1,392,718,628</b>	<b>1,452,651,903</b>
Allowances for Doubtful receivables	206,730,978	230,709,063	114,917,900
<b>Total</b>	<b>1,886,061,778</b>	<b>1,162,009,565</b>	<b>1,337,734,003</b>

## 13. CASH AND CASH EQUIVALENT

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Cash on hand	3,505,460	5,012,272	7,187,803
Balances with banks			
On current accounts	23,014,997	4,451,774	3,894,288
<b>Total</b>	<b>26,520,457</b>	<b>9,464,046</b>	<b>11,082,091</b>

## 14. OTHER BANK BALANCES

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	167,666,626	146,927,411	137,367,198
<b>Total</b>	<b>167,666,626</b>	<b>146,927,411</b>	<b>137,367,198</b>

\*Under lien/custody with banks.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 15. CURRENT LOANS AND ADVANCES (Unsecured, considered good)

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Staff Loans and Advances	3,251,256	5,797,478	4,996,012
<b>Total</b>	<b>3,251,256</b>	<b>5,797,478</b>	<b>4,996,012</b>

## 16. OTHER FINANCIAL ASSETS

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Earnest Money Deposits	7,416,176	13,192,477	10,835,817
Security Deposits	876,024	621,024	641,921
Interest Accrued but not due on fixed deposits	21,930,729	18,313,279	14,197,289
<b>Total</b>	<b>30,222,929</b>	<b>32,126,780</b>	<b>25,675,027</b>

## 17. CURRENT TAX ASSETS(TAX)

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Current Tax Assets (Net to Provision)	5,107,413	18,251,203	16,016,184
<b>Total</b>	<b>5,107,413</b>	<b>18,251,203</b>	<b>16,016,184</b>

## 18. OTHER CURRENT ASSETS

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Advances to contractors and suppliers	44,502,306	67,705,457	27,140,504
Balance with Central Excise	21,680	21,680	21,680
Amount Recoverable from Government*	32,803,404	90,850,200	109,936,744
Prepaid Expenses	3,698,991	1,494,935	3,803,901
Deferred Lease Rent	1,501,182	1,501,182	1,501,181
<b>Total</b>	<b>82,527,563</b>	<b>161,573,454</b>	<b>142,404,010</b>

\* represents GST, sales tax / vat, cenvat credit etc.

## 19. EQUITY SHARE CAPITAL

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Authorised share capital</b>			
250,000,000 (31 <sup>st</sup> March 2017- 250,000,000 and 1 <sup>st</sup> April 2016 -250,000,000) Equity Shares of ₹ 2/-each	500,000,000	500,000,000	500,000,000
1,000,000(31 <sup>st</sup> March 2017- 1,000,000 and 1 <sup>st</sup> April 2016 -1,000,000) Redeemable Preference Shares of ₹ 100/-each	100,000,000	100,000,000	100,000,000
	<b>600,000,000</b>	<b>600,000,000</b>	<b>600,000,000</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Issued, Subscribed and Paid up Capital</b>			
142,902,465 (31 <sup>st</sup> March 2017 125,233,465 and 1 <sup>st</sup> April 2016 125,233,465) Equity Shares of ₹ 2/-each fully paid up	285,804,930	250,466,930	250,466,930
	285,804,930	250,466,930	250,466,930
*Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:	NIL	NIL	NIL
<b>Reconciliation of the number of equity shares and share capital</b>			
Shares outstanding as at the beginning of the year	125,233,465	125,233,465	125,233,465
Add: Shares issued during the year	17,669,000	-	-
<b>Shares outstanding as at the end of the year</b>	<b>142,902,465</b>	<b>125,233,465</b>	<b>125,233,465</b>

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

Name of the shareholders	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		As at 1 <sup>st</sup> April 2016	
	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding
M/s Paramount Telecables Limited	28,316,500	19.82	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	9.13	13,040,172	10.41	13,040,172	10.41
Mrs. Shashi Aggarwal	8,487,800	5.94	2,309,800	1.84	2,309,800	1.84

## 19.1 OTHER EQUITY

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>(a) Accumulated profit and Loss</b>			
Opening Balance	(1,070,840,333)	(1,217,098,572)	(1,217,098,572)
Add: Net profit for the year	146,929,741	146,258,239	-
Equity component of compound financial instruments transferred	7,864,573	-	-
<b>Total of A</b>	<b>(916,046,019)</b>	<b>(1,070,840,333)</b>	<b>(1,217,098,572)</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>(b) Other Reserves</b>			
<b>items of Other comprehensive Income</b>			
Re-measurement gains (losses) on defined benefit plans			
Opening Balance	(2,919,030)	-	-
Addition during the year	(550,970)	(2,919,030)	-
	<b>(3,470,000)</b>	<b>(2,919,030)</b>	-
<b>General Reserve</b>			
Opening Balance	25,403,272	25,403,272	25,342,997
Addition during the year	-	-	60,275
Written off during the year	-	-	-
	<b>25,403,272</b>	<b>25,403,272</b>	<b>25,403,272</b>
<b>Equity component of compound financial instruments</b>			
Opening Balance	7,864,573	7,864,573	7,864,573
Equity component of compound financial instruments transferred to retain earning	(7,864,573)	-	-
	-	<b>7,864,573</b>	<b>7,864,573</b>
<b>Capital Reserve</b>			
Opening Balance	3,031,100	3,031,100	3,031,100
Addition during the year	-	-	-
	<b>3,031,100</b>	<b>3,031,100</b>	<b>3,031,100</b>
<b>Security Premium</b>			
Opening Balance	674,454,437	678,279,437	682,104,437
Add During the Year	57,424,250	-	-
Less: Provision for Premium on redemption of Preference Shares	935,290	3,825,000	3,825,000
	<b>730,943,397</b>	<b>674,454,437</b>	<b>678,279,437</b>
<b>Equity component of convertible instruments</b>			
Opening Balance	-	-	-
Add During the Year	737,420,062	-	-
	<b>737,420,062</b>	-	-
<b>Total of B</b>	<b>1,493,327,831</b>	<b>707,834,352</b>	<b>714,578,382</b>
<b>Total (A+B)</b>	<b>577,281,812</b>	<b>(363,005,981)</b>	<b>(502,520,190)</b>

Retained Earnings represent the undistributed profits of the Company

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

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

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

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

Capital Reserve represents project subsidy from State Government.

### 20. BORROWINGS

#### Designated at fair value through profit and loss account

(Amount in ₹)			
Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Secured</b>			
Term Loans			
From Banks	-	182,500,000	1,533,991,430
From Securitisation and Assets Reconstruction Company (ARC)	1,806,500,000	1,662,500,000	167,500,000
From Financial Institution	77,750,000	37,362,750	37,362,750
<b>Unsecured</b>			
0% Non-Convertible Redeemable Preference Shares	-	-	68,635,427
<b>Total</b>	<b>1,884,250,000</b>	<b>1,882,362,750</b>	<b>1,807,489,607</b>

#### Nature of Security :-

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

Term loans from banks/Securitisation and Assets Reconstruction Company (ARC) are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through 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.

##### 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.

##### 765,000 0% Non-Convertible Redeemable Preference Shares (NCRPS)

0% Non - Convertible Redeemable Preference Shares ("NCRPS") of face value of ₹ 100/- per share have been redeemed at a price of ₹ 121.25 out of fresh issue of equity shares of the company during the FY 2017-18. Prior to conversion The NCRPS has been accounted as compound financial instruments and the discounted amount at prevailing rate of interest has been accounted in equity and balance as liability.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

Maturity Profile and rate of interest of Secured Borrowings are as set out bellow:-

(Amount in ₹)

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
9.5%	-	-	-	77,750,000
0%	56,500,000	214,800,000	1,435,200,000	100,000,000
<b>Total</b>	<b>56,500,000</b>	<b>214,800,000</b>	<b>1,435,200,000</b>	<b>177,750,000</b>

## 21. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Provision for Premium on Redemption of Preference Shares	-	-	11,495,960
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11,495,960</b>

## 22. PROVISIONS

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Provisions for employee benefits</b>			
Provision for Gratuity	11,188,613	4,300,894	-
Provision for Leave Encashment	10,437,010	11,025,223	9,704,994
<b>Total</b>	<b>21,625,623</b>	<b>15,326,117</b>	<b>9,704,994</b>

## 23. BORROWINGS

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Secured</b>			
From Banks			
Working Capital Loans from Banks	-	152,110,070	329,415,680
<b>Unsecured</b>			
<b>From Related Parties</b>			
Loan From Directors	91,464,990	-	-
0% Non-Convertible Redeemable Preference Shares (Refer to foot note to Note No 20)	-	68,635,427	-
<b>Total</b>	<b>91,464,990</b>	<b>220,745,497</b>	<b>329,415,680</b>

### 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.



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 24. TRADE PAYABLES

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Due to Micro, Small & Medium Enterprises*	-	-	-
Others	913,928,738	191,862,417	565,293,429
<b>Total</b>	<b>913,928,738</b>	<b>191,862,417</b>	<b>565,293,429</b>

\* 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.

## 25. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Current maturities of long term debts	54,000,000	47,100,000	-
Provision for Premium on Redemption of Preference Shares	-	15,320,960	-
Foreign Currency Convertible Bonds (FCCBs)	-	735,716,404	753,251,808
From Securitisation and Assets Reconstruction Company (ARC)	-	-	330,203,098
Other Financial Liabilities	42,228,978	183,001,476	250,112,603
<b>Total</b>	<b>96,228,978</b>	<b>981,138,840</b>	<b>1,333,567,509</b>

## 26. OTHER CURRENT LIABILITIES

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
Advance from customers	12,747,024	17,062,795	11,912,900
Statutory Dues Payable	14,480,964	11,550,915	30,304,036
<b>Total</b>	<b>27,227,988</b>	<b>28,613,710</b>	<b>42,216,936</b>

## 27. PROVISIONS

(Amount in ₹)

	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	1 <sup>st</sup> April 2016
<b>Provisions for employee benefits</b>			
Provision for Gratuity	764,596	246,561	-
Provision for Leave Encashment	2,205,638	2,017,241	2,185,143
<b>Total</b>	<b>2,970,234</b>	<b>2,263,802</b>	<b>2,185,143</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 28. REVENUE FROM OPERATIONS

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>a) Sale of Products</b>		
Manufactured goods	4,311,241,131	3,473,577,839
<b>b) Other Operating Revenue</b>		
Export benefits	2,241,066	2,069,593
Scrap	37,410,572	24,236,895
<b>Total</b>	<b>4,350,892,769</b>	<b>3,499,884,327</b>

## 29. OTHER INCOME

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest on refund of income-tax	1,051,742	-
Interest on Fixed Deposit	19,575,893	22,869,119
Interest Income - Others	9,981,508	9,340,117
Insurance Claim Received	264,001	200,467
Profit on sale/disposal of Fixed Assets (Net)	-	63,254
Miscellaneous Income	11,900	542,467
Exchange Fluctuation (Net)*	8,582,444	8,953,413
Interest Income on fair valuation of Security Deposit	1,444,720	1,307,439
<b>Total</b>	<b>40,912,208</b>	<b>43,276,276</b>

\*Refer Note No 36

## 30. COST OF MATERIALS CONSUMED

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Raw Material consumed</b>	<b>3,581,804,713</b>	<b>2,532,915,589</b>

## 31. CHANGES IN INVENTORIES

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Opening Stock</b>		
- Finished Stock	21,111,782	198,181,805
- Work in Progress	15,825,849	165,908,193
- Scrap	909,162	2,466,238
	<b>37,846,793</b>	<b>366,556,236</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Less: Closing Stock</b>		
- Finished Stock	70,508,995	21,111,782
- Work in Progress	45,133,643	15,825,849
- Scrap	5,710,264	909,162
	<b>121,352,902</b>	<b>37,846,793</b>
<b>Net (Increase)/Decrease in Stock</b>	<b>(83,506,109)</b>	<b>328,709,443</b>
Excise duty on account of increase/(decrease) on stock of finished goods	(2,527,100)	(19,493,101)
<b>Total (Increase)/Decrease in Stock</b>	<b>(86,033,209)</b>	<b>309,216,342</b>

## 32. EMPLOYEE BENEFITS EXPENSES

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Salaries and wages	146,026,030	135,613,291
Contribution to provident and other funds	7,981,691	7,141,721
Workmen and Staff Welfare	5,641,172	5,555,260
<b>Total</b>	<b>159,648,893</b>	<b>148,310,272</b>

## 33. FINANCE COST

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest on Loans	39,926,592	184,015,108
Interest on fair valuation of Preference Share	1,612,005	6,252,568
Other Borrowing Cost	3,297,194	5,512,442
<b>Total</b>	<b>44,835,791</b>	<b>195,780,118</b>

## 34. DEPRECIATION AND AMORTIZATION

	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Property Plant and Equipment	90,144,519	95,763,674
Intangible Assets	2,105,973	1,158,870
<b>Total</b>	<b>92,250,492</b>	<b>96,922,544</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 35. OTHER EXPENSES

		(Amount in ₹)	
		For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Stores , Spares & Consumables		27,463,482	29,350,299
Packing Expenses		115,154,948	94,385,288
Power and Fuel		116,359,900	96,344,940
Rent		22,433,324	22,615,006
Amortised Cost of Rent on fair valuation of Security Deposit		1,501,181	1,501,181
Repair and Maintenance			
- Plant and Machinery		20,944,742	10,797,190
- Building		2,597,578	1,906,123
- Others		5,189,920	5,146,510
Insurance		3,229,016	4,227,714
Rates and Taxes		587,977	1,137,878
Auditor's Remuneration		1,849,547	2,419,826
Conversion Charges		4,616,676	4,718,345
Labour Charges		93,655,142	76,691,248
Commission and Brokrage		9,671,679	9,788,537
Rebate and Discount		2,092,967	10,816,412
Freight, Octroi & cartage		34,637,938	18,924,593
Provision for doubtful debts		-	115,791,163
Bad Debts written off	27,519,623		3,935,766
Less: Provision for doubtful debts written back	23,978,085	3,541,538	-
			3,935,766
Travelling and Conveyance		30,827,915	32,662,808
Advertisement and Publicity		1,121,053	534,863
Communication Expenses		5,127,294	5,256,950
Donations		942,000	2,499,000
Professional Charges		67,816,447	39,609,008
Business Promotion Expenses		18,094,327	15,097,825
Printing and Stationary		3,996,575	2,979,911
Security Charges		7,801,094	9,963,894
Testing Charges		11,908,684	10,587,108
Directors Meeting Fee		1,375,000	825,000
Miscellaneous Expenses		16,012,416	12,625,991
<b>Total</b>		<b>630,550,360</b>	<b>643,140,377</b>

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

### 36. FINANCIAL RISK MANAGEMENT

#### Financial risk factors

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

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018.

#### ii) Credit risk

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

#### iii) Liquidity risk

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

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

#### Market Risk

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

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

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

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

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Foreign Currency Sensitivity

(Amount in ₹)

Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	Effect on profit/(loss) before tax
<b>For the year ended 31<sup>st</sup> March 2018</b>			
USD	176,162	+ 5%	568,149
		-5%	(568,149)
EURO	(815)	+ 5%	(3,322)
		-5%	3,322
GBP	124,466	+ 5%	568,500
		-5%	(568,500)
<b>For the year ended 31<sup>st</sup> March 2017</b>			
USD	(11,407,874)	+ 5%	(37,175,577)
		-5%	37,175,577
EURO	(815)	+ 5%	(2,848)
		-5%	2,848
GBP	552,550	+ 5%	2,226,773
		-5%	(2,226,773)

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

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March 2018	for the year ended 31 <sup>st</sup> March 2017
Net Foreign Exchange gain shown as other income	8,582,444	8,953,413

### (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at fixed rate and hence, there is no interest risk sensitivity. Weighted average cost of borrowing is 10.85% for the year ended 31<sup>st</sup> March 2018 (10% for the year ended 31<sup>st</sup> March 2017) excluding borrowings which are assigned/negotiated with banks with no interest liability

### Credit risk

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

- Trade Receivables

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

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

The ageing of trade receivable is as below:

(Amount in ₹)

Particulars	Neither due nor impaired	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
As at 31 <sup>st</sup> March 2018					
Trade receivable					
Unsecured	749,794,903	943,574,492	58,161,213	341,262,148	2,092,792,756
Gross Total	749,794,903	943,574,492	58,161,213	341,262,148	2,092,792,756
Provision for doubtful	-	-	-	206,730,978	206,730,978
Net Total	749,794,903	943,574,492	58,161,213	134,531,170	1,886,061,778
As at 31 <sup>st</sup> March 2017					
Trade receivable					
Unsecured	411,839,448	566,298,213	61,352,851	353,228,116	1,392,718,628
Gross Total	411,839,448	566,298,213	61,352,851	353,228,116	1,392,718,628
Provision for doubtful	-	-	-	230,709,063	230,709,063
Net Total	411,839,448	566,298,213	61,352,851	122,519,053	1,162,009,565
As at 1 <sup>st</sup> April 2016					
Trade receivable					
Unsecured	389,725,406	710,259,996	63,594,676	289,071,825	1,452,651,903
Gross Total	389,725,406	710,259,996	63,594,676	289,071,825	1,452,651,903
Provision for doubtful	-	-	-	114,917,900	114,917,900
Net Total	389,725,406	710,259,996	63,594,676	174,153,925	1,337,734,003

### Liquidity risk

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

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

### Trade payable ageing and other liabilities

(Amount in ₹)

Particulars	Ageing as on 31 <sup>st</sup> March 2018					Total
	Carrying Amount	On demand	< 6 months	6-12 months	> 1 years	
Borrowings	1,975,714,990	-	-	91,464,990	1,884,250,000	1,975,714,990
Trade payable	913,928,738	-	913,928,738	-	-	913,928,738
Other liabilities	123,456,965	-	96,456,965	27,000,000	-	123,456,965
<b>Total</b>	<b>3,013,100,693</b>	<b>-</b>	<b>1,010,385,703</b>	<b>118,464,990</b>	<b>1,884,250,000</b>	<b>3,013,100,693</b>

(Amount in ₹)

Particulars	Ageing as on 31 <sup>st</sup> March 2017					Total
	Carrying Amount	On demand	< 6 months	6-12 months	> 1 years	
Borrowings	2,103,108,247	-	152,110,070	68,635,427	1,882,362,750	2,103,108,247
Trade payable	191,862,417	-	191,862,417	-	-	191,862,417
Other liabilities	1,009,752,550	-	987,452,550	22,300,000	-	1,009,752,550
<b>Total</b>	<b>3,304,723,214</b>	<b>-</b>	<b>1,331,425,037</b>	<b>90,935,427</b>	<b>1,882,362,750</b>	<b>3,304,723,214</b>



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Ageing as on 1st April 2016					Total
	Carrying Amount	On demand	< 6 months	6-12 months	> 1 years	
Borrowings	2,136,905,287	-	329,415,680	-	1,807,489,607	2,136,905,287
Trade payable	565,293,429	-	565,293,429	-	-	565,293,429
Other liabilities	1,387,280,405	-	1,375,784,445	-	11,495,960	1,387,280,405
<b>Total</b>	<b>4,089,479,121</b>	<b>-</b>	<b>2,270,493,554</b>	<b>-</b>	<b>1,818,985,567</b>	<b>4,089,479,121</b>

## Capital risk management

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

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

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

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

The Gearing ratio for FY 2017-18 and 2016-17 is an under.

(Amount in ₹)

Particulars	As of 31 <sup>st</sup> March 2018	As of 31 <sup>st</sup> March 2017
Loans and borrowings	1,975,714,990	2,103,108,247
Less: cash and cash equivalents	26,520,457	9,464,046
Net debt	1,949,194,533	2,093,644,201
Equity	863,086,742	(112,539,051)
Total capital	2,812,281,275	1,981,105,150
Gearing ratio	69.31%	105.68%

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

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

### 37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		As at 1 <sup>st</sup> April 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>						
Fixed deposits with banks	247,031,357	247,031,357	270,031,164	270,031,164	269,287,910	269,287,910
Cash and bank balances	26,520,457	26,520,457	9,464,046	9,464,046	11,082,091	11,082,091
Investment	1	1	1	1	118,321	118,321
Trade and other receivables	1,889,430,194	1,889,430,194	1,168,393,249	1,168,393,249	1,343,560,778	1,343,560,778
Other financial assets	65,904,446	65,904,446	66,629,357	66,629,357	55,044,120	55,044,120
	<b>2,228,886,455</b>	<b>2,228,886,455</b>	<b>1,514,517,817</b>	<b>1,514,517,817</b>	<b>1,679,093,219</b>	<b>1,679,093,219</b>
<b>Financial liabilities designated at amortised cost</b>						
Trade & other payables	913,928,738	913,928,738	191,862,417	191,862,417	565,293,429	565,293,429
Other financial liabilities	96,228,978	96,228,978	981,138,840	981,138,840	1,345,063,469	1,345,063,469
<b>Financial liabilities designated at fair value through profit and loss</b>						
Borrowings- fixed rate	1,975,714,990	1,975,714,990	2,103,108,247	2,103,108,247	2,136,905,287	2,136,905,287
	<b>2,985,872,706</b>	<b>2,985,872,706</b>	<b>3,276,109,504</b>	<b>3,276,109,504</b>	<b>4,047,262,184</b>	<b>4,047,262,184</b>

#### Fair Value hierarchy

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

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

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

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

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

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

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

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

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March 2018		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		1,975,714,990	
Other Financial Liabilities		1,010,157,716	

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March 2017		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,005,615,037	
Other Financial Liabilities		1,173,001,257	

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March 2016		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		720,894,458	
Other Financial Liabilities		1,898,860,938	

### Assets/Liabilities for which fair value is accounted for (Fair Value)

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March 2017		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		97,493,211	

(Amount in ₹)

Particulars	for the year ended 31 <sup>st</sup> March 2016		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		1,427,506,789	

During the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

Following table describes the valuation techniques used and key inputs to valuation for level 2, 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018, respectively:

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

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

### 38. SEGMENT INFORMATION

#### Information about primary segment

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

#### Information about Geographical Segment – Secondary

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

### 39. RETIREMENT BENEFIT OBLIGATIONS

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

Particulars	(Amount in ₹)	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Company's contribution to provident fund	6,874,904	6,528,394
Company's contribution to ESI	1,106,787	613,327
<b>Total</b>	<b>7,981,691</b>	<b>7,141,721</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018, being the respective measurement dates:

#### (b) Movement in obligation

Particulars	(Amount in ₹)	
	GRATUITY (FUNDED)	leave encashment (unfunded)
<b>Present value of obligation - 1<sup>st</sup> April 2016</b>	<b>19,697,107</b>	<b>11,890,137</b>
Current service cost	2,724,586	1,364,577
Interest cost	1,477,283	915,541
Benefits paid	-	(622,799)
Remeasurements - actuarial loss/ (gain)	2,946,103	(504,992)
<b>Present value of obligation - 31<sup>st</sup> March 2017</b>	<b>26,845,079</b>	<b>13,042,464</b>
<b>Present value of obligation - 1<sup>st</sup> April 2017</b>	<b>26,845,079</b>	<b>13,042,464</b>
Current service cost	3,189,919	1,367,518
Plan amendments past service cost	3,323,806	-
Interest cost	2,013,381	912,972
Benefits paid	-	(876,332)
Remeasurements - actuarial loss/ (gain)	333,751	(1,803,974)
<b>Present value of obligation - 31<sup>st</sup> March 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## (c) Movement in Plan Assets - Gratuity

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Fair value of plan assets at beginning of year	22,297,623	20,620,881
Expected return on plan assets	1,672,322	1,649,670
Employer contributions	-	-
Benefits paid	-	-
Actuarial gain / (loss)	(217,219)	27,072
<b>Fair value of plan assets at end of year</b>	<b>23,752,726</b>	<b>22,297,623</b>
Present value of obligation	(35,705,936)	(26,845,079)
Net funded status of plan	23,752,726	22,297,623
<b>Actual return on plan assets</b>	<b>(11,953,210)</b>	<b>(4,547,456)</b>

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

## (d) Recognised in profit and loss

(Amount in ₹)

Particulars	Gratuity	Leave encashment
Current Service cost	2,724,586	1,364,577
Interest cost	(172,387)	915,541
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	(504,992)
<b>For the year ended 31<sup>st</sup> March 2017</b>	<b>2,552,199</b>	<b>1,775,126</b>
Current Service cost	3,189,919	1,367,518
Plan amendments past service cost	3,323,806	-
Interest cost	341,059	912,972
Expected return on plan assets	-	-
Remeasurement - Actuarial loss/(gain)	-	(1,803,974)
<b>For the year ended 31<sup>st</sup> March 2018</b>	<b>6,854,784</b>	<b>476,516</b>

## (e) Recognised in Other comprehensive income

(Amount in ₹)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	-
For the year ended 31 <sup>st</sup> March 2017	2,919,030
Remeasurement - Actuarial loss/(gain)	-
For the year ended 31 <sup>st</sup> March 2018	550,970

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

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

(Amount in ₹)

Weighted average actuarial assumptions	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Attrition rate	10% PA	10% PA
Discount Rate	7.50% PA	7.50% PA
Expected Rate of increase in salary	8% PA	8% PA
Expected Rate of Return on Plan Assets	7.5 % PA	8 % PA
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	14 years	15 years

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2014-15 as considered in previous GAAP on transition to IND AS.

(g) Sensitivity analysis:

For the year ended 31<sup>st</sup> March 2017

(Amount in ₹)

Particulars	change in Assumption	Effect on Gratuity obligation	change in Assumption	Effect on leave encashment obligation
Discount rate	+ 0.5%	25,496,382	+ 1%	12,470,182
	- 0.5%	28,305,183	- 1%	13,670,664
Salary Growth rate	+ 0.5%	28,044,517	+ 1%	13,652,718
	- 0.5%	25,707,921	- 1%	12,475,254
Attrition Rate	+ 0.5%	26,839,173	+ 1%	-
	- 0.5%	26,850,985	- 1%	-

For the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	change in Assumption	Effect on Gratuity obligation	change in Assumption	Effect on leave encashment obligation
Discount rate	+ 0.5%	34,030,256	+ 1%	12,104,736
	- 0.5%	37,515,513	- 1%	13,232,338
Salary Growth rate	+ 0.5%	37,307,704	+ 1%	13,218,312
	- 0.5%	34,210,928	- 1%	12,107,100
Attrition Rate	+ 0.5%	35,694,510	+ 1%	-
	- 0.5%	35,717,362	- 1%	-

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

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

(Amount in ₹)

Particulars	Gratuity
01 Apr 2018 to 31 Mar 2019	2,368,056
01 Apr 2019 to 31 Mar 2020	1,287,000
01 Apr 2020 to 31 Mar 2021	4,088,137
01 Apr 2021 to 31 Mar 2022	2,871,542
01 Apr 2022 to 31 Mar 2023	4,156,408
01 Apr 2023 Onwards	74,464,785

(i) Statement of Employee benefit provision

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Gratuity	35,705,936	26,845,079
Leave encashment	12,642,648	13,042,464
<b>Total</b>	<b>48,348,584</b>	<b>39,887,543</b>

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

(j) Current and non-current provision for Gratuity and leave encashment

For the year ended 31<sup>st</sup> March 2017

(Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	246,561	2,017,241
Non current provision	4,300,894	11,025,223
<b>Total Provision</b>	<b>4,547,455</b>	<b>13,042,464</b>

For the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	764,596	2,205,638
Non current provision	11,188,613	10,437,010
<b>Total Provision</b>	<b>11,953,209</b>	<b>12,642,648</b>

(k) Employee benefit expenses

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Salaries and Wages	146,026,030	135,613,291
Costs-defined contribution plan	7,981,691	7,141,721
Welfare expenses	5,641,172	5,555,260
<b>Total</b>	<b>159,648,893</b>	<b>148,310,272</b>



# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

Particulars	(Figures in No.)	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Average no. of people employed	359	369

### Other Comprehensive Income presentation of defined benefit plan

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

- Leave encashment cost is in the nature of short term employee benefits.

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

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

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

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

## 40. OTHER DISCLOSURES

### (a) Auditors Remuneration

Particulars	(Amount in ₹)	
	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>Statutory Auditors</b>		
Audit Fee	1,550,000	1,920,831
Tax Audit Fee	150,000	150,000
Taxation Matters	50,000	208,359
Certification	50,000	104,536
Out of Pocket Expenses	49,547	36,100
<b>Total</b>	<b>1,849,547</b>	<b>2,419,826</b>

### (b) Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.

- Investment made given under the investment schedule of balance sheet.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 41. CONTINGENT LIABILITIES

### (i) Guarantees

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Financial Bank Guarantees outstanding	50,321,907	38,228,204	35,530,200
Performance Bank Guarantees outstanding	198,009,386	260,878,328	444,196,627
	<b>248,331,293</b>	<b>299,106,532</b>	<b>479,726,827</b>

### (ii) Duties & Taxes

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Income Tax			
- Demands under appeal	-	-	44,298,650
Excise demands under appeal	40,802,484	217,499,086	222,102,658
Service Tax demands under appeal	21,593,235	31,577,466	31,587,069
Custom duty demand due to denial of concessional custom duty, under appeal	4,862,721	5,911,047	6,434,896
	<b>67,258,440</b>	<b>254,987,599</b>	<b>304,423,273</b>

### (iii) Other Contingent liabilities

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unutilized Letter of Credits	-	-	6,839,600
Outstanding Bill discounted	111,730,104	75,191,924	179,941,540
Claims Against the Company not acknowledged as Debt	5,205,254	9,115,454	9,201,854

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

## 42. ESTIMATED AMOUNT OF CONTRACT REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR (NET OF ADVANCES)

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Property, Plant & Equipment	11,069,073	-	-

## 43. RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

Related party name and relationship

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

Paramount Telecables Limited

**b) Key Management Personnel**

Shri Sanjay Aggarwal, Chairman and CEO

Shri Sandeep Aggarwal, Managing Director

Shri Shambhu Kumar Agarwal, Chief Financial Officer

Ms Tannu Sharma, Company Secretary

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

Mrs. Shashi Aggarwal

Mrs. Archana Aggarwal

**Related Party Transactions:**

(Amount in ₹)

Description Nature of transactions	Current Year 2017-18			Previous Year 2016-17		
	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place
<b>I Rent Paid</b>						
Paramount Telecables Limited	20,718,330	-	-	20,856,106	-	-
<b>II Loan received from Directors</b>						
Mr. Sanjay Aggarwal	-	48,250,000	-	-	-	-
Mr. Sandeep Aggarwal	-	42,890,000	-	-	-	-
<b>III Interest on Loans</b>						
Mr. Sanjay Aggarwal	-	194,664	-	-	-	-
Mr. Sandeep Aggarwal	-	166,436	-	-	-	-
<b>IV Amount Paid (TDS on Interest)</b>						
Mr. Sanjay Aggarwal	-	19,466	-	-	-	-
Mr. Sandeep Aggarwal	-	16,644	-	-	-	-
<b>V Equity Shares Allotment including share premium</b>						
Paramount Telecables Limited	18,191,250	-	-	-	-	-
Mrs. Shashi Aggarwal	-	-	32,434,500	-	-	-
Mrs. Archana Aggarwal	-	-	32,434,500	-	-	-
<b>VI Redemption of 0% Non -Convertible redeemable Preference Shares including premium on redemption</b>	92,756,250	-	-	-	-	-
<b>VII Remuneration to Key Managerial Personnel (KMP)</b>						
Mr. Sanjay Aggarwal, Chairman and CEO	-	4,935,969	-	-	4,833,880	-
Mr. Sandeep Aggarwal, Managing Director	-	4,866,819	-	-	4,728,370	-
Mr. Shambhu Kumar Agarwal, Chief Financial Officer	-	2,480,012	-	-	2,205,609	-
Mrs. Tannu Sharma, Company Secretary	-	675,713	-	-	585,775	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Related Party Balances:

(Amount in ₹)

Nature of Transactions	Current Year 2017-18			Previous Year 2016-17					As at 1 <sup>st</sup> April 2016		
	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place	Other related parties in the Group where common control exists	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place		
I outstanding of security deposit given for premises taken on rent as at year end	18,000,000	-	-	-	18,000,000	-	-	18,000,000	-		
II Loan outstanding at the year end	-	91,464,990	-	-	-	-	-	-	-		

## Remuneration to Key Managerial Personnel (KMP)

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Short-Term employee benefits*	11,451,121	10,962,196
Post-Employment benefits		
- Defined contribution plan\$	984,960	962,640
- Defined benefit plan#	522,433	428,798
<b>Total</b>	<b>12,958,514</b>	<b>12,353,634</b>

\*Including bonus and commission on accrual basis and value of perquisites

\$including PF and any other benefit

#including leave encashment, gratuity and any other benefit

## 44. EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Number of shares

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Number of Equity Shares at the beginning of the year	125,233,465	125,233,465
Add: Weighted average number of equity shares issued during the year	6,970,784	-
Add: Weighted average no of Equity Shares for FCCB	781,249	-
Weighted average number of Equity shares for Basic EPS (A)	132,985,498	125,233,465
Weighted average number of equity shares for Diluted EPS (B)	132,985,498	125,233,465

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

Net profit /(loss) available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Net Profit /(Loss) after Taxation (₹)	146,929,741	146,258,239
Basic Earnings per Share (₹)	1.10	1.17
Diluted Earnings per Share (₹)	1.10	1.17
Par Value of each Equity Share (₹)	2	2

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

### 45. IMPAIRMENT REVIEW

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- midterm market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

**Operating margins:** Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

**Growth rates:** The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

**Capital expenditures:** The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## 46. EXCEPTIONAL ITEMS

(Amount in ₹)

Description of exceptional items-profit	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Written Back on Settlement of Loan Liabilities	227,514,631	873,898,812
Written Back of Interest	42,479,331	-
<b>Total</b>	<b>269,993,962</b>	<b>873,898,812</b>

## 47. FOREIGN CURRENCY FLUCTUATION ON LONG TERM BORROWING

The Company has opted to continue the policy to capitalise foreign currency fluctuation on long term borrowings which was followed as per previous I-GAAP as per optional election of Ind AS -101, on all long term foreign currency borrowings outstanding on 31<sup>st</sup> March 2016. Accordingly, the Company has capitalised such exchange fluctuation to Property, Plant and Equipment of ₹ 1,44,000/- and ₹ (51,84,000/-) for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 respectively.

Details are as below:

(Amount in ₹)

Assets	Financial Year 2017-18	Financial Year 2016-17
Building	45,732	(1,646,358)
Plant and Equipment	90,520	(3,258,704)
Furniture & Fixures	5,125	(184,504)
software	2,623	(94,434)
<b>Total</b>	<b>144,000</b>	<b>(5,184,000)</b>

## 48. OPERATING LEASE

The Company has entered into lease transactions mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 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 ₹ 22,433,324/- (Previous year ₹ 22,615,006/-) for the leases, which commenced on or after 1<sup>st</sup> April 2001.

Minimum lease payments under non-cancellable operating leases are:

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Minimum Lease Payments</b>			
Not later than one year	2,06,66,664	2,06,66,664	2,06,66,664
Later than one year but not later than five years	1,44,99,998	3,51,66,662	5,58,33,326
Later than five years	-	-	-

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

### 49. DISCLOSURES REQUIRED AS PER INDIAN ACCOUNTING STANDARD (IND AS) 101- FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD

#### Transition to IND AS

##### Basis of preparation

For all period up to and including the year ended 31<sup>st</sup> March 2017, the Company has prepared its consolidated financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These consolidated financial statements for the year ended 31<sup>st</sup> March 2018, are the Company's first annual IND AS consolidated financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared consolidated financial statements which comply with IND AS applicable for periods beginning on or after 1<sup>st</sup> April 2017, as described in the accounting policies. In preparing these consolidated financial statements, the Company's opening Balance Sheet was prepared as of 1<sup>st</sup> April 2016, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as of 1<sup>st</sup> April 2017 and its previously published Indian GAAP consolidated financial statements for the year ended 31<sup>st</sup> March 2017.

#### Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for 1<sup>st</sup> April 2016 opening balance sheet.

#### I. Exemptions availed

- The Company has elected to measure items of Property, Plant and Equipment and intangible assets at the date of transition to IND AS at their fair value. Company has used the fair value of assets, which is considered as deemed cost on transition. The impact on fair valuation of Property, Plant and Equipment and intangible assets on transition from previous GAAP is ₹ 71,77,40,703/- and the deemed cost considered on transition including intangible assets is ₹ 146,59,65,174/-. The details of the same on each line item is described below:-

(Amount in ₹)

Description	Deemed Cost	Impact of Fair Value
Land		
Freehold Land	230,235,130	217,613,800
Lease hold Land	290,187,000	221,131,885
Building	220,672,344	63,970,020
Plant and Machinery	692,085,438	213,729,875
Office Equipment	2,845,880	(23,912)
Furniture & Fixtures	17,156,875	(638,159)
Lease Hold Improvement	5,234,030	477,990
Vehicles	4,007,031	517,338
Computer (Software)	3,541,446	961,866
<b>Total</b>	<b>1,465,965,174</b>	<b>717,740,703</b>

Life and salvage value of assets has been revisited on transition date and revised estimated life less life expired on date of transition has been considered as revised life for all assets. The impact of change in life and salvage value is provided in Note no 5.



# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

2. Under previous GAAP, company was carrying assets of one location at revaluation assessed on 31<sup>st</sup> March 2016, to fair value assets with corresponding increase in revaluation reserve. On transition to IND AS the Company has elected not to carry those assets at revaluation done under previous GAAP and those assets are fair valued as on transition date. On transition revaluation reserve has been adjusted against retained earnings. The impact of such measurement is provided in summary of effect of transition.
3. Investments in subsidiaries and other investment.  
The Company has elected to recognise investment in subsidiaries at previous GAAP carrying values on the date of transition. Other investments are accounted for at fair value.
4. Long Term Foreign Currency Monetary Items  
The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per the previous GAAP, accordingly the Company has continued the capitalisation of foreign exchange fluctuation on long term loan outstanding on the date of transition i.e 1<sup>st</sup> April 2016 and such capitalised amount is amortised over the remaining useful life of the asset. Refer Note no 47 for exchange differences capitalised during 2016-17 and 2017-18.
5. The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19
  - i. The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and
  - ii. The experience adjustments arising on;
    - a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and
    - b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was not difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to IND AS, the Company has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in profit and loss account.

6. Fair value of financial assets and liabilities  
The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.
7. Fair value of stressed borrowings under assignment/settlement.  
The Company has fair valued certain stressed borrowings through profit and loss account which are under assignment/settlement.
8. Security Deposit  
Under Previous IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

### 9 Foreign Currency Convertible Bonds (FCCB) financial Instrument.

Foreign Currency Convertible Bonds (FCCB) is treated as liability under Indian GAAP.

Under IND AS Foreign Currency Convertible Bonds (FCCB) with fixed to fixed conversion of shares is accounted for as equity.

### 10 Compound financial instrument

(i) Under Indian GAAP, -0% Non-Convertible Redeemable Preference Shares are accounted for as Share Capital. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible preference shares. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

### 11 Re measurement of defined benefit plan i.e. gratuity is accounted for in other comprehensive income.

Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS

### Reconciliation of Consolidated Balance sheet as at 1<sup>st</sup> April 2016

(Amount in ₹)

Particulars	Refer note above	INDIAN (GAAP)	Adjustments	IND AS
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and equipment	1	745,644,891	716,778,837	1,462,423,728
(b) Other Intangible assets	1	2,579,580	961,866	3,541,446
(c) Financial Assets				
(i) Investments	3	168,001	(49,680)	118,321
(ii) Loans	8	6,378,964	(5,548,202)	830,762
(iii) Others	8	157,242,784	4,047,021	161,289,805
(d) Other non-current assets		7,039,241	-	7,039,241
		<b>919,053,461</b>	<b>716,189,842</b>	<b>1,635,243,302</b>
<b>2. Current assets</b>				
(a) Inventories		538,798,171	-	538,798,171
(b) Financial Assets				
(i) Trade Receivables		1,337,734,003	-	1,337,734,003
(ii) Cash and cash equivalents		11,082,091	-	11,082,091

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Refer note above	INDIAN (GAAP)	Adjustments	IND AS
(iii) Bank Balances other than (ii) above		137,367,198	-	137,367,198
(iv) Loans		4,996,012	-	4,996,012
(v) Others		25,675,027	-	25,675,027
(C) Current Tax Assets(Net)		16,016,184	-	16,016,184
(d) Other current assets	8	140,902,828	1,501,181	142,404,009
		2,212,571,514	1,501,181	2,214,072,696
<b>Total Assets</b>		<b>3,131,624,975</b>	<b>717,691,023</b>	<b>3,849,315,998</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital	10	326,966,930	(76,500,000)	250,466,930
(b) Other Equity		(3,680,468,378)	3,177,948,188	(502,520,190)
		<b>(3,353,501,448)</b>	<b>3,101,448,188</b>	<b>(252,053,260)</b>
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowing	7 & 9	4,191,246,772	(2,383,757,165)	1,807,489,607
(ii) Other		11,495,960	-	11,495,960
(b) Provisions		9,704,994	-	9,704,994
		<b>4,212,447,726</b>	<b>(2,383,757,165)</b>	<b>1,828,690,561</b>
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowing		329,415,680	-	329,415,680
(ii) Trade payables		565,293,429	-	565,293,429
(iii) Other		1,333,567,509	-	1,333,567,509
(b) Other current liabilities		42,216,936	-	42,216,936
(c) Provisions		2,185,143	-	2,185,143
		<b>2,272,678,697</b>	<b>-</b>	<b>2,272,678,697</b>
<b>TOTAL Equity and Laibilities</b>		<b>3,131,624,975</b>	<b>717,691,023</b>	<b>3,849,315,998</b>

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

### Reconciliation of other equity as at 1st April 2016

(Amount in ₹)

	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	Revaluation Reserve	FCMITDA	General Reserve	Retained Earnings	Total impact on Other equity
<b>As at 31st March 2016 (IGAAP)</b>	-	3,031,100	678,279,437	8,838,353	(9,363,567)	25,403,272	(4,386,656,973)	(3,680,468,378)
<b>(A)</b>								
<b>Adjustments:</b>								
Add: Equity component of Preference Share	7,864,573						-	7,864,573
Add: Fair Valuation of Property, plant and equipments							717,740,703	717,740,703
Less: Fair Valuation of quoted non-current Investments							(49,680)	(49,680)
Add: Fair Valuation of Loans							2,452,392,592	2,452,392,592
Reversal of FCMITDA to retained earning					9,363,567		(9,363,567)	-
Reversal of revaluation reserve to retained earning				(8,838,353)			8,838,353	-
<b>Total IND AS adjustments (B)</b>	<b>7,864,573</b>	<b>-</b>	<b>-</b>	<b>(8,838,353)</b>	<b>9,363,567</b>	<b>-</b>	<b>3,169,558,401</b>	<b>3,177,948,188</b>
<b>As at 31st March 2016 (Ind AS)</b>	<b>7,864,573</b>	<b>3,031,100</b>	<b>678,279,437</b>	<b>-</b>	<b>-</b>	<b>25,403,272</b>	<b>(1,217,098,572)</b>	<b>(502,520,190)</b>
<b>(A) + (B)</b>								

### Principal differences between IND AS and Indian GAAP

#### Measurement and recognition difference for year ended 31<sup>st</sup> March 2017

##### 1. Asset carried at Deemed cost in IND AS

The Company has elected to measure items of PPE at the date of transition to IND AS at their fair value. Company has used the fair value of assets of assets, which is considered as deemed cost on transition. The impact of such fair value is disclosed in Exemption availed under para 41 above. The Company has not revalued fair value of any items of PPE subsequent to the year ended 31<sup>st</sup> March 2016.

##### 2. Financial instruments

###### i. Fair valuation of financial assets and liabilities

Under Indian GAAP, receivables and payables were measured at transaction cost less allowances for impairment, if any. Under IND AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expense or finance income in the Statement of Profit and Loss for financial liabilities and financial assets respectively.

##### 3. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2018

### 4. Security Deposit

Under Previous IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognizing the notional interest income under 'other income'.

### 5. Compound financial instrument

Under Indian GAAP, -0% Non-Convertible Redeemable Preference Shares are accounted for as Share Capital. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a market rate for an equivalent non-convertible preference shares. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

### 6. Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

### 7. Statement of Cash Flows

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.

### 8. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.

Subsequent reconciliations post transition on 31<sup>st</sup> March 2017

### Reconciliation of other equity

(Amount in ₹)

	Equity component of compound financial instruments	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	OCI	Total impact on Other equity
<b>As at 31<sup>st</sup> March 2017 (IGAAP) (A)</b>	-	3,031,100	674,454,437	25,403,272	(4,390,714,880)	-	(3,687,826,071)
<b>Adjustments:</b>							
Difference in other equity on transition on 1.4.16	7,864,573	-	-	-	3,169,558,401	-	3,177,422,974
Add: Difference in profit or loss for 2016-17	-	-	-	-	150,316,145	(2,919,030)	147,397,115
<b>Total IND AS adjustments (B)</b>	<b>7,864,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,319,874,547</b>	<b>(2,919,030)</b>	<b>3,324,820,090</b>
<b>As at 31<sup>st</sup> March 2017 (Ind AS) (A) + (B)</b>	<b>7,864,573</b>	<b>3,031,100</b>	<b>674,454,437</b>	<b>25,403,272</b>	<b>(1,070,840,333)</b>	<b>(2,919,030)</b>	<b>(363,005,981)</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Reconciliation of Consolidated Balance Sheet as at 31<sup>st</sup> March 2017

(Amount in ₹)

Particulars	Refer note above	INDIAN (GAAP)	Adjustments	IND AS
<b>I. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, Plant and equipment	1	658,952,026	710,015,164	1,368,967,190
(b) Other Intangible assets	1	7,521,517	1,299,460	8,820,977
(c) Financial Assets				
(i) Investments		1	-	1
(ii) Loans	4	4,826,969	(4,240,764)	586,206
(iii) Others	4	159,598,550	2,545,839	162,144,390
		<b>830,899,063</b>	<b>709,619,700</b>	<b>1,540,518,763</b>
<b>2. Current assets</b>				
(a) Inventories		133,105,382	-	133,105,382
(b) Financial Assets				
(i) Trade Receivables		1,162,009,565	-	1,162,009,565
(ii) Cash and cash equivalents		9,464,046	-	9,464,046
(iii) Bank Balances other than (ii) above		146,927,411		146,927,411
(iv) Loans		5,797,478	-	5,797,478
(v) Others		32,126,780	-	32,126,780
(C) Current Tax Assets(Net)		18,251,203	-	18,251,203
(d) Other current assets	4	160,072,272	1,501,181	161,573,454
		<b>1,667,754,137</b>	<b>1,501,181</b>	<b>1,669,255,318</b>
<b>Total Assets</b>		<b>2,498,653,200</b>	<b>711,120,881</b>	<b>3,209,774,082</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital	5	326,966,930	(76,500,000)	250,466,930
(b) Other Equity		(3,687,826,071)	3,324,820,090	(363,005,980)
		<b>(3,360,859,141)</b>	<b>3,248,320,090</b>	<b>(112,539,050)</b>
<b>2. Liabilities</b>				
<b>(i) Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowing	6	4,494,449,954	(2,612,087,204)	1,882,362,750
(b) Provisions		15,326,117	-	15,326,117
		<b>4,509,776,071</b>	<b>(2,612,087,204)</b>	<b>1,897,688,867</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

Particulars	Refer note above	INDIAN (GAAP)	Adjustments	IND AS
<b>(ii) Current liabilities</b>				
(a) Financial Liabilities				
(i) Short Term Borrowing	6	152,110,070	68,635,427	220,745,497
(ii) Trade payables		191,862,417	-	191,862,417
(iii) Other	7	974,886,271	6,252,568	981,138,839
(b) Other current liabilities		28,613,710	-	28,613,710
(c) Provisions		2,263,802	-	2,263,802
		<b>1,349,736,270</b>	<b>74,887,995</b>	<b>1,424,624,265</b>
<b>TOTAL Equity and Laibilities</b>		<b>2,498,653,200</b>	<b>711,120,881</b>	<b>3,209,774,082</b>

## Reconciliation of Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2017

(Amount in ₹)

	As per IGAAP	Adjustments	Ind AS
(I) Revenue from operations	3,501,311,415	(1,427,089)	3,499,884,327
(II) Other income	43,170,274	106,002	43,276,276
<b>(III) Total Revenue (I+II)</b>	<b>3,544,481,689</b>	<b>(1,321,087)</b>	<b>3,543,160,603</b>
<b>(IV) Expenses:</b>			
Cost of materials consumed	2,532,915,589	-	2,532,915,589
Changes in inventory of finished goods, work in progress and Stock-in-trade	328,709,443	(19,493,101)	309,216,342
Employee benefits expenses	151,229,302	(2,919,030)	148,310,272
Finance costs	189,527,551	6,252,568	195,780,119
Depreciation and amortization expenses	81,658,112	15,264,432	96,922,544
Excise Duty	344,515,933	-	344,515,933
<b>Other expenses</b>	<b>634,122,492</b>	<b>9,017,885</b>	<b>643,140,377</b>
<b>Total expenses</b>	<b>4,262,678,422</b>	<b>8,122,754</b>	<b>4,270,801,175</b>
<b>Profit/(Loss) Before exceptional items and Tax</b>	<b>(718,196,733)</b>	<b>(9,443,840)</b>	<b>(727,640,573)</b>
Exceptional Items	714,204,200	159,694,612	873,898,812
<b>(V) Profit before tax</b>	<b>(3,992,533)</b>	<b>150,250,771</b>	<b>146,258,239</b>
<b>(VI) Less - Tax Expenses:</b>			
(1) Current tax	-	-	-
(2) Deferred tax	-	-	-



# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

(Amount in ₹)

	As per IGAAP	Adjustments	Ind AS
(3) Previous Year Taxation Adjustment	-	-	-
(4) MAT Credit Entitlement	-	-	-
	-	-	-
<b>(VII) Profit for the year after tax (V-VI)</b>	<b>(3,992,533)</b>	<b>150,250,771</b>	<b>146,258,239</b>
<b>(VIII) Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit plans	-	(2,919,030)	(2,919,030)
Income tax effect	-	-	-
<b>Total Other comprehensive income</b>	<b>-</b>	<b>(2,919,030)</b>	<b>(2,919,030)</b>
<b>(IX) Total Comprehensive Income for the year (VII+VIII)</b>	<b>(3,992,533)</b>	<b>147,331,741</b>	<b>143,339,209</b>
<b>(X) Earning per equity share:</b>			
(1) Basic	(0.03)		1.17
(2) Diluted	(0.03)		1.17

## Notes on adjustment of Profit & Loss Account:

1. Turnover Discount (TOD) has been reduced from turnover.
2. There is an effect of interest and rental expenses on security deposit given.
3. Excise duty provision on closing inventories has been taken in "Changes in Inventories" under Ind AS. Under Indian GAAP, the same was taken in other expenses.
4. 0% Redeemable Preference Shares has been treated as Compound Financial Instrument which has resulted in adjustment of Finance Cost under Ind AS.
5. Fair Value of Property, Plant and Equipment and change in life is having an effect on depreciation.
6. Fair value of loan liabilities.
7. Foreign Currency Monetary Items Translation Difference Account of External Commercial Borrowing has been accounted for in Profit and Loss Account under IND AS. The same was taken in reserves under Indian GAAP.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2018

## Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended 31<sup>st</sup> March 2017

(Amount in ₹)	
Particulars	31 <sup>st</sup> March 2017
<b>Profit after tax as per Indian GAAP</b>	<b>(3,992,533)</b>
<b>Adjustments:</b>	
Recognition of Interest on fair value of security deposit given	1,307,439
Change in depreciation due to fair value of fixed assets and change in useful life of assets	(15,264,432)
Reclassification of actuarial gain and losses on defined benefit plans to Other Comprehensive Income	2,919,030
Recognition of Rental expenses on security deposits	(1,501,181)
Recognition of Interest on fair value of Preference Share	(6,252,568)
Decrease of loss on sale of non-current investment due to fair valuation of opening balance	49,680
Reversal of amortisation of Foreign Currency Monetary item & exchange fluctuation reserve account during the year	9,298,192
Fair valuation of loans liabilities under exceptional items	159,694,612
<b>Total Adjustments</b>	<b>150,250,771</b>
<b>Profit after tax as per Ind AS</b>	<b>146,258,239</b>
Other comprehensive income Gain/(Loss)(net of tax)	(2,919,030)
<b>Total comprehensive income as per Ind AS</b>	<b>143,339,209</b>

50. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
51. Notes 1 to 50 are annexed and form integral part of Consolidated financial statements.

### As per our Report of even date attached

#### For P. Bholusaria & Co.

Chartered Accountants  
Firm Registration No. : 000468N

#### Pawan Bholusaria

Partner (M.No. 80691)  
Place : New Delhi  
Date : 9<sup>th</sup> May 2018

### For and on behalf of Paramount Communications Limited

#### (Sanjay Aggarwal)

Chairman & CEO  
DIN No 00001788

#### (S K Agarwal)

Chief Financial Officer  
Mem No 053595

#### (Sandeep Aggarwal)

Managing Director  
DIN No 00002646

#### (Tannu Sharma)

Company Secretary  
Mem No ACS 30622

# Notice

Notice is hereby given that the **24<sup>th</sup> Annual General Meeting** of the Members of **PARAMOUNT COMMUNICATIONS LIMITED** will be held at **Air Force Auditorium, NH 48, Subroto Park, New Delhi-110 010** on **Friday, the 21<sup>st</sup> day of September, 2018** at **11.30 A.M.** to transact the following businesses:

## ORDINARY BUSINESSSES:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2018 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.

## SPECIAL BUSINESSSES:

3. 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 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 and/or donate, from time to time in any financial year, to any bonafide, 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 ₹25,00,000 (Rupees Twenty Five Lac only) in one financial year."

4. 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 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, being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, for the financial year from 1<sup>st</sup> April 2018 till 31<sup>st</sup> March 2019.

**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**  
**M. No.: ACS30622**

**Place: New Delhi**  
**Dated: 4<sup>th</sup> August, 2018**

## 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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2 The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, the 15<sup>th</sup> September, 2018 to Friday, the 21<sup>st</sup> September,

2018 (both days inclusive) in connection with the Annual General Meeting.

- 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 **No gifts/coupons will be distributed by the Company.**
- 7 The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you the Notices, Annual Reports including financial statements, Board Reports, etc. and any other communications via email. All the shareholders holding shares in physical mode who have not registered their e-mail addresses so far are requested to register their e-mail address to the RTA/ Company for receiving all aforesaid communication from the Company, electronically.
- 8 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, IIInd Floor, Community Centre, Naraina Industrial Area, Phase-I, New Delhi-110028.
- 9 Shareholders are requested to bring their copy of the Annual Report to the meeting.
- 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.

- 11 The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of business under Item Nos. 3 and 4 set out above is annexed hereto.

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

##### **Item No 3**

As per the provisions of Section 181 of the Companies Act, 2013, the Board of Directors of the Company is authorized to make contributions for charitable purposes, provided that prior permission of the Members is obtained for such contribution, in case 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 ₹25,00,000 (Rupees Twenty Five Lakh only) in any Financial year.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

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 4**

The Board of Directors at their meeting held on 9<sup>th</sup> May, 2018, 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 2018-19 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 Fourth 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, and the provisions of Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility of e-Voting, through CDSL, to the shareholders for casting their vote electronically at the Twenty Fourth Annual General Meeting of the Company.

The electronic voting period commences on Tuesday, 18<sup>th</sup> September 2018 (9:00 A.M.) and ends on Thursday, 20<sup>th</sup> September 2018 (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 14<sup>th</sup> September 2018, 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	Folio Number registered with the Company
	b) For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digit Client ID	
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 Tuesday, 18<sup>th</sup> September 2018 (9:00 A.M.) and ends on Thursday, 20<sup>th</sup> September 2018 (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 14<sup>th</sup> September 2018, may cast their vote electronically.
- 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 not cast 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.
- 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 along with DIN</b>	<b>Mr. Sandeep Aggarwal</b> (DIN: 00002646)
<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.



## ROUTE MAP OF THE VENUE FOR THE 24<sup>TH</sup> ANNUAL GENERAL MEETING





## Paramount Communications Limited

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

t: +91 11 45618800 - 900, f: +91 11 25893719 - 20

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

CIN L74899DL1994PLC061295

### ATTENDANCE SLIP

Please fill the Attendance Slip and hand it over at the Entrance of the Meeting Hall:

DP ID*	
--------	--

Client ID*	
------------	--

Folio No.	
-----------	--

No. of shares	
---------------	--

#### NAME AND ADDRESS OF SHAREHOLDER

.....

.....

.....

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the members of the Company held at Air Force Auditorium, NH 48, Subroto Park, New Delhi-110 010 on Friday, the 21<sup>st</sup> day of September, 2018 at 11.30 A.M.

\_\_\_\_\_  
Signature of shareholder/Proxy

\*Applicable for shares held in Electronic form





## Paramount Communications Limited

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

t: +91 11 45618800 - 900, f: +91 11 25893719 - 20

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

CIN L74899DL1994PLC061295

### Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **24<sup>th</sup> Annual General Meeting** of the Company, to be held at **Air Force Auditorium, NH 48, Subroto Park, New Delhi-110 010** on Friday, the **21<sup>st</sup> day of September, 2018 at 11.30 A.M.** and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS		FOR	AGAINST
1.	Adoption of Annual Accounts of the Company as on March 31, 2018.		
2.	Re-appointment of Mr. Sandeep Aggarwal (DIN 00002646), retiring by rotation and being eligible, offering himself for re-appointment.		
SPECIAL BUSINESSES			
3.	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakh in one Financial year;		
4.	To approve the remuneration of the Cost Auditor for the financial year 2018-2019.		

Date: \_\_\_\_\_, 2018.

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue  
Stamp

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.









# Corporate information

## Board of Directors

Mr. Sanjay Aggarwal  
*Chairman & CEO*

Mr. Sandeep Aggarwal  
*Managing Director*

Mr. Satya Pal  
*Independent Director*

Mr. S.P.S. Dangi  
*Independent Director*

Mr. Vijay Bhushan  
*Independent Director*

Mrs. Malini Gupta  
*Independent Director*

## Registered Office

C-125, Naraina Industrial Area,  
Phase 1, New Delhi - 110028.  
Phone(s): +91-11-45618800/900  
Fax: +91-11-25893719/20  
E-mail: [pcl@paramountcables.com](mailto:pcl@paramountcables.com)  
Website: [www.paramountcables.com](http://www.paramountcables.com)

## Works

SP-30A, SP-30B and E-31,  
Khushkhera Industrial Area,  
District Alwar, Rajasthan, India

Plot No. 37 Industrial Estate,  
Dharuhera, District Rewari,  
Haryana, India

## Chief Financial Officer

Mr. Shambhu Kumar Agarwal

## Chief Compliance Officer & Company Secretary

Ms. Tannu Sharma

## Auditors

P. Bholusaria & Co.,  
Chartered Accountants,  
New Delhi

## Cost Auditors

Jain Sharma & Associates,  
Cost Accountants, New Delhi

## Registrar & Share Transfer Agent

Link Intime India Private Limited, 44, Community Centre,  
Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028

## Key Management Team:

Mr. Manmeet Singh Anand  
*Head- Business Development*

Mr. D.S. Muchhal  
*President Operations*

Mr. R.K. Marwah  
*VP Technical*

Mr. N.K. Gupta  
*VP Finance and Accounts*

Mr. Rajeev Gupta  
*VP Marketing*

Mr. R.S. Tanwar  
*Sr GM Marketing*

Mr. Arvind Gupta  
*GM (PPC)*

Mr. Ajay Dhar  
*GM IT and EDP*





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