



**Unprecedented Challenges.**  
**Unwavering Resolve.**

# Welcome to our Annual Report 2019-20



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

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

- Bhagavad Gita, 3.21



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# Unprecedented Challenges.

# Unwavering Resolve.

FY 2019-20 was a year filled with unprecedented challenges as the contraction in the global economy led to pessimism in India's growth outlook and led to a steady fall in consumption, investment and industrial production. The situation was intensified further with the outbreak of COVID-19 pandemic and the subsequent lockdown which brought all the major industries to a standstill and impacted the demand for wires and cables sharply.

Despite the challenges, Paramount Communications Limited was determined to demonstrate strong resilience and deploy quality, innovation and technological advancements as effective tools to retain momentum and maintain a stable growth trajectory. With unwavering resolve to seize every opportunity and grow our presence across wider geographies, we sharpened our skills, scaled up our capabilities and delivered sustainable, tailor-made solutions to an expanding gamut of industries.

As we move ahead, we are well-positioned to capitalize on our strengths and take Paramount Communications Limited to a new orbit of growth, **beating every challenge with unwavering resolve.**

# India's Leading and Trusted Wires & Cable Manufacturing Company

Paramount Communications Limited (recognized by brand name Paramount Cables) is a globally acclaimed organization, pioneering the wires and cables industry for more than six decades. Currently serving prestigious public and private sector clients in 15+ countries, we offer a comprehensive portfolio of cabling solutions across diverse segments.

## Key focus on



Manufacturing Excellence



Technological Advancement



Customer Satisfaction



Innovative Solutions

## Strengthened by an efficient team and widespread distribution network



**1,200+**

Dedicated  
Employees



**100+**

Channel  
Partners



Retail Counters

**10,000+**



**5,000+**

Associated  
Electricians



Institutional Clients

**500+**

## Seizing Opportunities with Unwavering Resolve

### A legacy of 65 years

We have established a solid reputation across the world by serving the evolving and complex needs of customers with our pioneering solutions.

### Diverse Product Portfolio

We provide a wide range of high-quality cabling solutions and services, that cater to the diverse and dynamic needs of our customers. Understanding that a connected world unleashes great potential for development, we keep connectivity cables (power, railway, and internet) at the core of our solutions while continuously striving to improve their performance for our customers.

### Multisectoral Offerings

With a tailor-made solution to suit almost any cabling need, we are amongst a few Indian Cables Manufacturers catering to all the major infrastructure segments.

### Institutional Business

We are an approved and reliable cable supplier to the Government, Public Sector Units and almost all the major private players.

### State-of-the-art Manufacturing Capability

We have two state-of-the-art manufacturing plants with advance machineries and large-scale capabilities.

### Innovation and Quality Assurance

We are powered by a strong in-house R&D team, excellence in design and implementation, and stringent quality checks and procedures.



# Resolve to Grow by Wiring Lives Globally

Paramount Communications Limited' products have established a strong reputation across global markets for its quality, performance and supply reliability with millions of satisfied customers. Today, our products are exported to 15+ countries across 4 continents where there is a significant demand and high brand visibility.



- |               |               |             |
|---------------|---------------|-------------|
| 1. Australia  | 7. Nepal      | 13. UK      |
| 2. Bangladesh | 8. Nigeria    | 14. Ukraine |
| 3. Ghana      | 9. Qatar      | 15. USA     |
| 4. Iraq       | 10. Sri Lanka | 16. Zambia  |
| 5. Libya      | 11. Tanzania  | 17. Spain   |
| 6. Myanmar    | 12. UAE       | 18. Chile   |

## Wall of Fame

- Awarded the National Entrepreneurship Award for Outstanding Achievement in Wire and Cable Manufacturing by the President of India in 1984.
- Developed Four Quad Axle Counter Cables for telecom and Signalling network in the Indian Railways in 1985.
- The only Indian cable brand and one amongst the few globally, having certificate of conformity from both BASEC and LPCB for Fire Survival Cables.
- Successfully executed a prestigious project of repairing Submarine Cable in 2019.
- One of the largest suppliers to the Hon'ble Prime Minister's flagship BharatNet program since 2014.

## Prestigious Clientele

We have a noteworthy list of clients that includes government, institutional and major private sector organizations, both domestic and international.

### Public Sector Undertaking



### Private Sector



# Resolve for Sustainability with Multisectoral, Bespoke Offerings

Connectivity being a necessity across all industries, households and infrastructural products, the use of wires and cables are crucial and its demand is ever growing. At Paramount Communications Limited, we are determined to capitalize on this growth with our customized cabling solutions across diverse sectors.

## Wires and cables for every sector



Power



Railways



Telecom



IT &  
Communications



Construction



Defense



Space Research



Electronics



Export



Specialized EPC



Renewable



Oil and Gas

## Redefine the Cabling Landscape through a Comprehensive Product Portfolio and Strong R&D

Paramount Communications Limited is a one-stop solution for wiring and cabling needs in India and 15+ countries globally. We have a glorious track-record of delivering innovative, customized and high-performance cabling solutions through our competent research and development (R&D) team. We continue to nurture our R&D capabilities to serve the evolving needs of the industry and stay relevant.



### Power

- Low Tension (LT) and High Tension (HT) Power Cables
- LT and HT Aerial Bunch Cables
- Control Cables
- Instrumentation Cables



### Railway

- Signalling Cables
- Quad Cables
- Railway Power
- Axle Counter Cables



### Telecom

- Optical Fiber Cables (OFC) and Fiber to the Home (FTTH) Cables
- Jelly Filled Telephone Cables (JFT)
- CATV Cables



### Domestic

- Building Wires
- Submersible Cables
- Multi-core Cables



### Special Products

- PTFE & Thermocouple Cables
- Fire Survival Cables
- Solar Cables



### EPC Services

- Telecom Consultancy & EPC
- Power & Railway EPC Turnkey Projects
- Specialized Projects OPGW

## Building Greater Sustainability

### Eco-friendly Electrical Housing Wires:

- Only Indian cables brand with lead-free PVC, making it non-toxic and safe
- 100% conductivity & energy savings through use of 99.97% pure high-quality copper
- Protection of ozone layer by eliminating the release of halogen
- Low smoke & gas emission

### Manufacturers of F120

#### Fire Survival Cables:

- Highest-rated fire survival cables
- Resistant to fire temperatures of 950°C for 120 minutes
- Resistant to fire with intermittent water spray mimicking fireman's water hose
- Resistant to fire with mechanical impact mimicking falling stones / debris

- Combination of resistance to fire with mechanical impact and water jet spray at a temperature of 830°C for duration of two hours
- Limits the generation of toxic gases and fumes that hinder fire-fighting and rescue operations

## Ensuring Uncompromising Quality Standards through Manufacturing Excellence

We have a solid manufacturing infrastructure equipped with latest machineries and advanced testing systems and supported by world-class manufacturing standards. It enables us to deliver high-quality standards and customer satisfaction. We are continuously benchmarking and adopting global best practices as we strive for operational excellence. Our products meet following quality standards:

### Indian accreditation / approvals

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

### International accreditation / approvals

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

### International product manufacturing standards

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

### Product Licenses

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



# Taking Connectivity to the Andamans

**Played a crucial part in successful completion of the ambitious Chennai to Andaman & Nicobar Islands (CANI) Optical Fibre Submarine Cable System**



## The project

The Government of India announced the ambitious CANI project, located in the Bay of Bengal. The project comprised executing a main trunk between Chennai (mainland India) and Port Blair (Andaman Islands) with inter-island branches connecting landing sites in seven islands.

## Paramount execution

Paramount Communications Limited was chosen as a subcontractor for the mega project that involved connecting Andaman and Nicobar Islands with Mainland through a 2,300 km undersea high-speed Optical Fibre cable. However, the project was marred with challenges including rocky and wet terrains, unavailability of manpower, dependence

of machine and materials on mainland, and other restrictions. Its execution was extremely difficult compared to any other trenching project. These challenges were further aggravated by the onset of COVID-19 pandemic due to which supply chain was impacted.

Despite the difficulties, Paramount Communications Limited took up the challenge and successfully executed its part of work involving ~60 km of Trenching and Cable Pulling Work, and erecting about 14 Beach Manholes, 160 Manholes and 22 Joint Manholes. Further, we ensured highest quality and delivered the project within strict timelines, thereby serving a crucial role in the project's success.

## Hon'ble Prime Minister Narendra Modi launches Submarine Cable Connectivity to Andaman and Nicobar Islands

**"When I visited Andaman and Nicobar Islands in 2018, people complained about poor internet. A 2,300 kms long submarine cable inaugurated today changes that! In quick time and challenging geographies, the cable is all set to transform lives. Kudos to those who worked on this!"**

## Importance of CANI project to Andaman and Nicobar Islands



High-speed broadband connectivity



Fast and reliable mobile and landline telecom services



Big boost to the local economy



Delivery of e-governance, tele-medicine and tele-education

# Message from the Chairman & CEO



Dear Shareholders,  
**Challenges are an inevitable part of business. It is how we respond to them that makes the difference. For Paramount Communications Limited challenges are not something new, having been through a deep debt crisis and eventually restructuring to become a profitable and sustainable company**

FY 2019-20 has been a challenging year. The Indian economy, that was already passing through a rough phase due to liquidity crisis, high oil prices and weak consumer sentiments was faced with another bigger challenge of COVID-19 pandemic. It has triggered an unprecedented social and economic crisis whose impact will linger for some time as the global economy faces an eminent recession. Despite this, it is fascinating to witness how the world has united to fight this crisis resiliently while quickly adopting to the new normal. It gives us hope that human race shall prevail as done in many such crises across history.

One thing is for sure that the post pandemic world will never be the same again. While there will be multitude to changes, digitalization is an area that will witness accelerated adoption,

giving a major push to technology and communication devices. This is an area where your Company already has strong focus with its world-class products.

## Performance review

FY 2019-20 has been another year of remarkable progress for the Company. We were well on target to deliver record growth until COVID-19 pandemic broke out and interrupted our operations. While the official lockdown was announced in the final few days of the fiscal, the mounting fear globally led to businesses taking a back seat and practising informal shutdowns as early as February 2020. This not only impacted new business generation for two months, it also disrupted delivery schedules of confirmed orders as customers delayed taking delivery, thus leading to inventory

build-up. The transportation segment, comprising mainly of migrant labor was also under strain and vehicular movement was impacted.

As a result, our Sales revenues declined 1.4% from ₹ 6,145 million in FY 2018-19 to ₹ 6,062 million in FY 2019-20. However, EBITDA has increased from ₹ 455 million to ₹ 477 million.

## Responding to the crisis

With the crisis, your Company's immediate focus was to deploy business continuity plan and have heightened focus to de-risking. This is in line with our long-standing commitment to ensure business perpetuity and protecting stakeholders' value. Priority was given to the safety and wellbeing of our employees as well as all stakeholders. We rolled out a well-planned exercise of

enabling work from home by providing all necessary support.

As the lockdown started to lift, we ensured gradual resumption of operations while ensuring all safety protocols and social distancing norms are followed. We maintained sustained coordination with various customers to lift the products already manufactured and to collect the amounts outstanding. We also implemented a series of measures to optimize cost structure.

## Achieving a milestone in crisis

In the FY 19, Paramount Communications Limited successfully completed the repair and installation of Bharat Lanka Cable System.

A big milestone for Paramount Communications Limited during the year has been the successful implementation of subcontractor order in the ambitious Chennai to Andaman & Nicobar Islands (CANI) Optical fibre Submarine Cable System. Our part of work involved ~60 km of Trenching and Cable Pulling, and erecting about 14 Beach Manholes, 160 Manholes and 22 Joint Manholes.

I am happy to state that despite many challenges rocky and wet terrains, unavailability of manpower, dependence of machine and materials on mainland, apart from the recent COVID-19 disruption, we executed the project on time with the stipulated quality standard. The project proves our calibre as an organization capable of handling complex EPC projects, apart from manufacturing best products.

## Strategy for the future

The future is a connected world. It has immense potential for development and alleviating the challenges of traditional world. We have already witnessed its

game changing power in the times of COVID-19 when the world was restricted to homes. In line with this, your Company will continue to retain its focus on connectivity cables i.e. telecom, railways and power cables. Orders in these segments largely originate from government tenders and PSU organizations. Our strong relationships, focus on quality, prequalification criteria and cost competitiveness will enable us to capitalize on the opportunity.

We are increasingly witnessing a scenario where China is losing its place as the manufacturer to the world after the pandemic incident. This presents a significant opportunity for Indian companies like us to step up and target the export markets.

Another important focus for us will be to diversify our customer base from existing institutional customers. We have already strengthened retail focus in select micro markets to develop a strong dealer and distributor network for House Wires and Power Cables. This will help us to enhance granularity in revenue sources thus reducing dependence on single large accounts.

**A big milestone for Paramount Communications Limited during the year has been the successful implementation of subcontractor order in the ambitious Chennai to Andaman & Nicobar Islands (CANI) Optical Fibre Submarine Cable System**

With the successful execution in CANI project, we will continue to explore more such opportunities for high value addition, complex EPC projects, that have higher margins. The intent will be to move towards specialized products and projects, to create our niche as a technologically advanced Cables and Wires Company.

## Outlook

The coming fiscal is going to be challenging. COVID-19 is here to stay for some time. Apart from disrupting supply chain, it has thrown open the issue of manpower availability with the migration of labor. Further, the social impact of the pandemic will necessitate the Government to channelize more funding towards healthcare and supporting the weaker sections of the society. This will impact infrastructural spending and thus delays in offtake of fresh orders in railways and telecom sectors.

I believe Paramount Communications Limited is well placed in these times with a robust product portfolio, strong customer orientation, and constant focus on innovation. We are also positioning to become a leaner and responsive organization by undertaking efforts to streamline operations and control costs. We believe the Company will emerge stronger post this crisis and get back to its track of fast growth.

On behalf of the Board, I thank all stakeholders for the trust placed on us. We look forward to your continued support as we strive to make this organization sustainable in the long term and maximize value creation for all.

Warm regards,

**Sanjay Aggarwal**

Chairman and CEO

# Resolve to Seize Growth Opportunities with Unique Capabilities

Despite the economic slowdown on account of the COVID-19 pandemic, the Indian wiring and cabling industry is projected to grow in the medium term and long term. Positive government policies and reforms, infrastructure development, industrial growth, growth in agricultural activities, urbanization, housing development, digitalization, universal electrification programs and railways and metro constructions are likely to drive the growth.

Paramount Communications Limited, driven by quality excellence and innovative approach, looks forward to capitalize on such opportunities, and demonstrate superior performance and growth.



## Amplifying Digital Network

The Digital India mission to provide digital connection to every citizen is catapulting the demand for communication cables in the country. The recent announcement by the government to connect India's 6 lakh villages through optical fiber in the next 1,000 days will also lead to a digital revolution and create tremendous opportunities for cable and wires players. The BharatNet project, which has been sanctioned ₹ 6,000 crore in Budget 2020-21 to enhance rural connectivity, is expected to provide broadband connectivity to 250,000 gram panchayats in India, covering nearly 625,000 villages. Further, ₹ 3,000 crore revenue opportunity for the industry is estimated over the next 5 years on account of 4G network upgradation and 5G infrastructure development.

**Paramount Communications Limited with its robust portfolio of products that cater to the requirements of 4G and 5G networks will be attractively positioned to capture relevant opportunities in the Indian communications market.**

## Well-positioned for Railway Cabling

The Government proposed to spend ₹ 72,216 crore on Indian Railways in Budget 2020-21. 27,000 km railway tracks are expected to be electrified by FY 2022-23 under the same budget. Further, the Government plans to save ₹ 41,000 crore on energy consumption by Indian Railways over the next 10 years. A similar momentum is also seen in metro rail development which has 19 projects under construction and 9 more new/expansion plans in various cities of India. This opens up tremendous opportunities for the wires and cables players.

**Paramount Communications Limited, being manufacturers of specialized cables for the Indian Railways, is positioned to meet the demand. Further, we are focused on enhancing capabilities and operational efficiency in this segment to service the increasing demand in the railway sector.**

## Capitalizing on Affordable Housing Development

The massive urban housing shortage led by rapid urbanization and work-related migration to cities, has given a tremendous push to affordable housing schemes by the government, including the 'Housing for All by 2022' mission which targets 20 million households and Pradhan Mantri Awas Yojana. Budget 2020-21 allocated ₹ 50,040 crore to Ministry of Housing and Urban Affairs to facilitate affordable urbanization. Development in this sector is expected to drive large-scale growth in power infrastructure, and thereby fuel the demand for electric and telecom cables and housing-wires.

**Paramount Communications Limited' strong product offerings like lead free and FRLS house wires & FTTH and its large-scale manufacturing capability makes it competent to address the dynamic and advanced cabling requirements of the Indian housing sector.**

## Play a key role in the Atmanirbhar Bharat mission

With the onset of COVID-19 pandemic, that posed a major socio-economic challenge, the Government rolled out an ambitious ₹ 20 lakh crore stimuli to revive the Indian economy. The Government further, unveiled Atmanirbhar Bharat (self-dependent India) mission promoting citizens to consume local product and services to support domestic companies. With several incentives and extensive support packages, it offers much-needed stimulus to key sectors and industries, including MSMEs and cottage industries, laborers, middle-class, and urban and rural poor.

**Paramount Communications Limited' with its manufacturing units in India, employing locals and having local vendors will play a critical role in this mission. Additionally, the Company's focus on strengthening retail focus for Housewires and Power Cables will create business opportunities for dealers, distributors and retailers.**

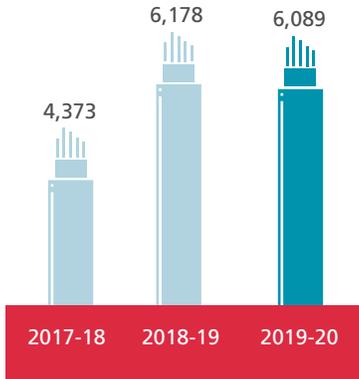
## Our Competitive Business Strategy



# Financial Highlights

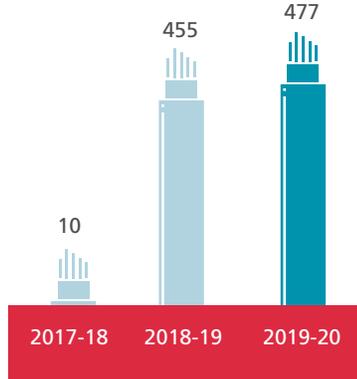
## Total Revenues

₹ Million



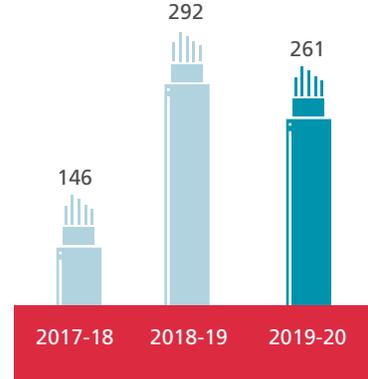
## EBIDTA

₹ Million



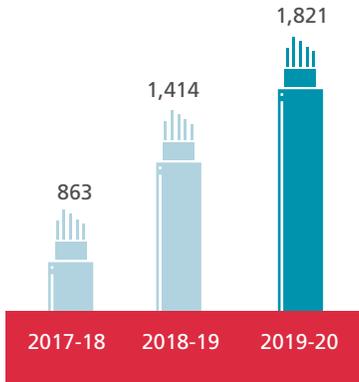
## Net Profit including OCI

₹ Million



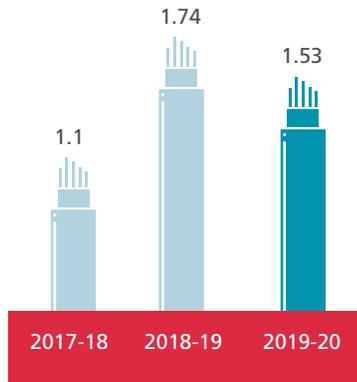
## Net Worth

₹ Million

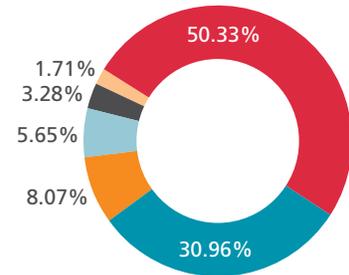


## Earnings Per Share

₹



## Revenue break-up



- Power cables
- Railway signalling and quad cables
- Optical fiber telecom cables
- House wiring cables
- EPC
- Others-Scrap and Export Benefit

## Board of Directors



**Mr. Sanjay Aggarwal**

Chairman and CEO

Mr. Sanjay Aggarwal has a wealth of experience of more than 3 decades in the cables and wires industry. With his deep industry knowledge and management skills, he has successfully steered the organization to greater heights. He has been on the Company's Board since November 1994. He is a Commerce graduate from Shri Ram College of Commerce, Delhi.



**Mr. Sandeep Aggarwal**

Managing Director

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



**Mr. Vijay Bhushan**

Independent Director

Mr. Vijay Bhushan is an MBA from the University of Delhi and has been actively associated with the capital market since 1981. He was elected as the President of Delhi Stock Exchange in the year 2001-02 and was also the Chairman of Federation of Indian Stock Exchanges representing 20 Stock Exchanges from 2002-04. Mr. Bhushan has acted as President of Association of National Exchanges Members of India ( ANMI).



**Ms. Malini Gupta**

Independent Director

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



**Mr. Vijay Maheshwari**

Independent Director

Mr. Vijay Maheshwari is a fellow member of the Institute of Chartered Accountants of India and has over 40 years of experience in lending, project finance, auditing, and financial restructuring. He is acclaimed for his vision and dynamism. Mr. Maheshwari is Actively involved in promotion of trade and commerce being Member of Bharat Chamber of Commerce-Sub-Committee, Member of Small Scale Industry and Company Matter.



**Ms. Praveena Kala**

Independent Director

Ms. Praveena Kala has over 3 decades of experience in National and International Banking operations in State Bank of India. Ms. Kala has been actively associated with RBI Business Re-Engineering Committee as a member and a keynote speaker in various banking conclaves. She has done master's in physics from Lucknow University. Ms. P. Kala retired as the Chief General Manager of State Bank of India, Bhubaneswar Circle.

# Empowering People. Enhancing Lives.

**At Paramount Communications Limited, we associate with NGOs to identify areas of critical need for the underprivileged communities and support them in addressing these issues.**

## Supporting education and welfare of kids

Education being a basic right, there are underprivileged children whose desire to study gets affected due to lack of stationery. We associated with Salaam Balak Trust to distribute stationery to many such children thus giving them means to study. We also ensured welfare of these children by providing nutritious food and celebrating their birthdays.

## Shoe distribution

We associated with an NGO Neikee to distribute shoes among the underprivileged sections aimed at promoting better health and eliminating injuries.

## Encouraging healthcare

We organized a blood donation camp in association with Indraprastha Sanjeevni NGO which saw encouraging

participation from community members. Besides, we continue to support Samarpan Foundation orphanage in Delhi and Rotary Divyang Kendra for providing artificial limbs.

## Supporting the nation's fight against COVID-19 pandemic

We undertook efforts to support the weaker sections of the society who were significantly impacted due to the outbreak of COVID-19 pandemic and

subsequent lockdowns. Our relief work included distributing food to the migrant workers, and providing safety kits to our associated electricians and the small shopkeepers to help them restart their business.

## Facilitating infrastructure development

We contributed to The Rotary Foundation for building 100 check dams that will help in reducing soil erosion and water loss.



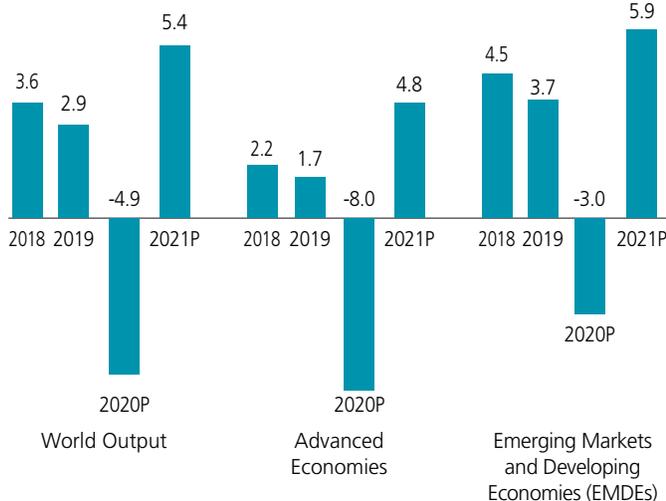
# Management Discussion and Analysis

## ECONOMIC OVERVIEW

### Global Economy

The cyclical upswing in the global economy, which continued to strengthen till 2017, started a downturn since then till 2019, indicating a bottoming out. As per the International Monetary Fund's (IMF) World Economic Outlook (WEO), June 2020, global Gross Domestic Product (GDP) grew by 2.9%<sup>1</sup> in 2019, lower than 3.6% in 2018. While advanced economies grew by 1.7%, Emerging Markets and Developing Economies (EMDEs) recorded a lower growth of 3.7% in 2019 as compared with a growth rate of 4.5% in 2018.

### Global Economic Growth: Actual and Projections (%)



Source: IMF World Economic Outlook, June 2020, P = Projections

The slowdown was mainly attributed to a lag in manufacturing and trade caused by policy uncertainty and country-specific stress in key emerging market economies. Just when the experts were projecting stabilization and growth pickup for the economy in 2020, the world was confronted with an unprecedented medical crisis of novel Coronavirus (COVID-19). The virus outbreak was declared a pandemic by the World Health Organization as it spread across continents in the first quarter of 2020. The quick spread of COVID-19, infecting millions of people and containment measures like lockdown, quarantines and ban on movement brought the economy to a standstill. The World Trade Organization projected global trade to drop between 13% and 32%<sup>2</sup> in 2020 based on the severity of the spread. The serious

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

<sup>2</sup>[https://www.wto.org/english/news\\_e/pr855\\_e.htm](https://www.wto.org/english/news_e/pr855_e.htm)

intensification of the pandemic in a few EMDE in Q2 2020 and the negative impact on consumption, investment and finance sealed the hope for an economic rebound and, instead, suggested a recession for 2020.

The IMF revised the growth outlook in June 2020 and estimated the global economy to contract by 4.9% in 2020, deeper than the previous projection of -3%. The economy is, however, expected to grow by 5.4% in 2021 with the normalization of activities and support from fiscal stimulus.

## INDIAN ECONOMY

The Indian economy mirrored the global pessimism in its GDP growth trend in FY 2019-20, which was further worsened by distress in the non-banking financial company (NBFC) sector, lower GST collections and strain on the fiscal deficit. The steady fall in consumption, investment and industrial production culminated in a catastrophic situation with the outbreak of COVID-19 in Q4 FY 2019-20 and the following lockdown. According to the National Statistical Office (NSO)<sup>3</sup> and the IMF, India's GDP grew at 4.2% in FY 2019-20, down from 6.1% in FY 2018-19, affected by these factors.

Before the critical scenario set in, the Government was strategizing several fiscal and monetary reforms to catapult the growth in next fiscal. The Finance Minister's Budget 2020-21 and the National Infrastructure Pipeline (NIP) were aimed at balancing growth aspirations and fiscal realities in India with an ambitious infrastructure roadmap. India's external sector was strengthened by impressive Foreign Direct Investment (FDI) and accumulation of foreign exchange reserves. Further, India's jump to 63rd rank in the World Bank's Ease of Doing Business in 2020 was a direct boost for foreign investments. Liquidity was supported by Reserve Bank of India's (RBI) repeated repo rate cuts. The Government also amended the Insolvency and Bankruptcy Code (IBC) to ease financial stress from the real estate sector. However, the pandemic outbreak pushed the growth trajectory out of track.

### COVID-19 Impact and Outlook

The intensification of the pandemic in Q1 FY 2020-21 infecting more than 1 million people, mounting healthcare cost and a halt to all economic activities upset most of India's economic calculations for FY 2020-21. It caused massive income and production loss, overall weak financial performance and a negative impact on consumer and investor sentiment. To give a boost to the embattled economy, the Government announced the Atmanirbhar Bharat

<sup>3</sup>[http://www.mospi.gov.in/sites/default/files/press\\_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf](http://www.mospi.gov.in/sites/default/files/press_release/PRESS%20NOTE%20PE%20and%20Q4%20estimates%20of%20GDP.pdf)

Abhiyan, a ₹ 20 lakh crore all-inclusive stimulus package, which is almost equivalent of 10% of the national GDP. The focal point of the package is to revive every sphere of the economy – from demand, supply to manufacturing – and make India self-reliant. Aligned with this goal of self-reliance, the Government has announced that it shall offer pronouncement preference in contracts for locally produced goods to discourage the import of goods and services and also offer tax sops. This is expected to boost local manufacturing and re-address the mission of 'Make in India' campaign started in 2014. Atmanirbhar Bharat Abhiyan includes extensive support packages for industries, including MSMEs and cottage industries, laborers, middle-class, and urban and rural poor. Under the package, RBI reduced the repo rate and the reverse repo rate to 4% and 3.75% respectively, so that commercial banks could lend to companies instead of parking the cash with RBI. After two months of stringent lockdown, Government also reopened the economy in a phased manner from June with strict SOPs, to provide relief to the economy.

Despite the extensive support and stimulus package, the pandemic threat still looms large sealing the possibility of a recovery this fiscal. The IMF revised its forecast for India in its June WEO and projected a negative growth of 4.5% for FY 2020-21. It, however, projects the Indian economy to grow by 6% in FY 2021-22 backed by Government's policy support.

<https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

## INDUSTRY OVERVIEW

### Power Sector

India's power sector has the potential to be a true game-changer in the world energy market as the world's third-largest producer and consumer of electricity. With a population of 1.4 billion and its electricity demand rising every year, the country's power demand is set to double by 2040. The all-India demand for electricity is expected to grow from 1,290 BU in FY 2019-20 to 1,691 BU by FY 2021-22 and further to 3,175 BU by FY 2029-30. Simultaneously, India's power generation capacity is projected to be around 480.4 GW by the end of FY 2021-22 from 370.1 GW as of 31<sup>st</sup> March, 2020, as per the Central Electricity Authority (CEA). Significantly, renewable energy contribution is targeted to increase to 175 GW in FY 2021-22, from 87 GW currently. India's power demand is being driven by infrastructure development, industrial growth, urbanization, housing development, universal electrification programs and railways and metro constructions. Increase in customer base and changes in lifestyle and consumption pattern are further factors catapulting the growth.

Despite the growth in power generation, transmission and distribution remains the major issue plaguing the power

sector. According to CEA, about 46,000 MW of installed power capacity in India is stranded because of poor last-mile connectivity and inadequate transmission and distribution infrastructure. Despite being the third-largest electricity consumer, the per capita electricity consumption in India in FY 2019-20 was 1,208 kWh (provisional), considerably lower compared to China and the U.S.

The Government is, thus working towards the dual objective of boosting power generation capacity in India, with a key focus on renewable sources, and strengthening the transmission network, and extension of National Grid to facilitate balanced dispersal of power. Between April 2000 and March 2020, India's power sector attracted US\$ 14.98 billion in FDI, accounting for 3.2% of total FDI inflows. Further, the Union Budget 2020-21 allocated ₹ 22,000 crore for the power and renewable energy sector to augment its growth further.

<http://www.cea.nic.in/reports/monthly/executivesummary/2020/executive-summary-05.pdf>

<http://www.cea.nic.in/reports.html>

[https://www.teriin.org/files/transition-report/files/downloads/Transitions-in-Indian-Electricity-Sector\\_Report.pdf](https://www.teriin.org/files/transition-report/files/downloads/Transitions-in-Indian-Electricity-Sector_Report.pdf)

<https://pib.gov.in/newsite/PrintRelease.aspx?relid=197837>

[https://dipp.gov.in/sites/default/files/FDI\\_Factsheet\\_March20\\_28May\\_2020.pdf](https://dipp.gov.in/sites/default/files/FDI_Factsheet_March20_28May_2020.pdf)

### Transmission and Distribution (T&D) Sector

Power transmission and distribution are the next two important verticals in the power supply chain, which evacuate power from generation sources and transport to end consumers. This sector growth in India is being driven by Government's aggressive investment on infrastructure development, urbanization, its ambitious goal of universal electrification and renovation of India's transmission and distribution network and power infrastructure. T&D development has become imperative to meet growing power demand and to carry the generated renewable capacity from its sources. The Ministry of Power also approved the National Smart Grid Mission in 2015 to improve the distribution system and allocated 14 smart grid pilot projects across India. Further, the Government's plan of setting up 100 Smart Cities and 500 smart towns will also require a smart grid system with basic infrastructures.

Growing demand for power infrastructure can further be measured by the projected growth in India's power transformation capacity and transmission lines. According to CEA's National Electricity Plan (NEP), a fund of ₹ 2.69 trillion (US\$39 billion) is expected to be invested in developing the transmission system over the plan period FY 2017-22. According to the current status of NEP, about 53,061 circuit kilometers (ckm) of transmission lines are yet to be added by FY 2021-22.

### Transmission Sector Growth up to March 2020 (In Circuit Kilometers) (CKM))

At the end of	Total Transmission Line	% Growth
9 <sup>th</sup> plan (2002)	152269	30%
10 <sup>th</sup> plan (2007)	196123	29%
11 <sup>th</sup> plan (2012)	257481	31.2%
12 <sup>th</sup> plan (2017)	367851	43%
Plan Period FY 2017-22 (Up to March 2020)	425071 (T=478132)	15.5% (T=45%)

[http://www.cea.nic.in/reports/monthly/transmission/2020/growth\\_summary\\_tx-03.pdf#T=Target](http://www.cea.nic.in/reports/monthly/transmission/2020/growth_summary_tx-03.pdf#T=Target)

Additionally, transformation capacity in the substations at 220 kV and above voltage levels are required to be increased to 11,04,955 MVA by FY 2021-22 from 9,67,893 MVA in FY 2019-20. The plan also targets the regional power transmission capacity to be increased to 118 GW to facilitate inter-regional power transfer capabilities. These developments are opening up numerous opportunities in the T&D equipment sector, including cables and wires.

<http://www.cea.nic.in/reports.html>,

<https://mercomindia.com/india-39-billion-transmission-infrastructure-revamp>

#### Cables and Wires

With 42% share in the electrical equipment industry in India, the cables and wires sector is benefited by the development and revamping of power generation and distribution infrastructure. According to the latest CRISIL report, India's cables and wires industry had a total size of 17 million km in FY 2018-19, which is projected to reach about 27 million km by FY 2023-24, with a CAGR of 10%. Simultaneously, in value terms, the industry size stands at ₹ 646 billion in FY 2018-19 and is projected to grow at a CAGR of about 11% to reach ₹ 1,000-1,100 billion by FY 2023-24. The sector registered a double-digit annual growth of 12% between 2009 and 2019 in the export market, propelled by rising production and quality improvement. The cables and wires sector growth in India is primarily driven by the recent development push in power and infrastructure segments, supported by the Government policies, renewable energy push and Government schemes for electrification, affordable housing, smart cities and smart grid.

The cables and wires industry comprises both organized and unorganized players. Organized players' share in the domestic market is constantly growing and is projected by CRISIL to touch 79% by FY 2023-24, from 68% in FY 2018-19. Implementation of GST, improved efficiency and a balanced cost structure, and expansion of distribution network are some factors contributing to the growth of organized cables and wires sector in India. The organized sector is further supported by growing middle-class

incomes and nuclear families, and customer involvement in electrical purchases and preference for quality and branded products.

*CRISIL Report: Assessment of cables and wires industry in India, January 2020*

#### Opportunities

##### 1. Power for All

The 'Power for All' (PFA) program was launched in FY 2017-18, in collaboration with the states and Union Territories to make 24x7 power available to all households, industry, commercial businesses, public needs, other electricity consuming entities, and agriculture farm holdings by FY 2018-19. Under PFA, the Government pushed a number of schemes to implement uninterrupted power. Some of the projects that successfully completed their universal electrification targets are Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGY) and Saubhagya. Ujwal DISCOM Assurance Yojana (UDAY) was launched in 2015 as a financial turnaround and revival package for electricity distribution companies (DISCOMS). The scheme also envisages reduction in power generation cost, renewable energy development, energy conservation and 24x7 power supply.

The COVID-19 outbreak and lockdown severely impacted commercial and industrial electricity consumption leading to a loss of business for the DISCOMS. The Government offered around ₹ 90,000 crore low-risk loans to the DISCOMS, which will come with state guarantees. Power Finance Corp (PFC) and REC Ltd. came forward to disburse 10-year loans to DISCOMS at 9.5% under this liquidity infusion package.

<https://powermin.nic.in/>, <https://www.uday.gov.in/home.php>

##### 2. Digital India and 5G Mission

India has the second-largest telecom network globally with a total subscriber base of 1.18 billion as of December 2019. The quick expansion of the telecommunication sector and the Digital India Mission to provide digital connection to every citizen is catapulting the demand for communication cables in the country. Under project BharatNet, the Prime Minister in his Independence Day speech, has announced that Government has plans to expand the project so as to provide optical fibre broadband connectivity to 600,000 villages in the country within 1000 days. Under Budget 2020-21, ₹ 6,000 crore has been allotted to BharatNet to enhance broadband connectivity in rural areas.

Further to that, India has stepped up its efforts towards 5G commercial deployment in sync with the global timelines. According to industry estimates, undersea cable business will generate up to ₹ 3,000 crore revenue opportunity in the Indian market over the next five years, driven by 5G infrastructure development.

### 3. Railways and Metro Infrastructure

The Government proposed to spend ₹ 72,216 crore on Indian Railways in Budget 2020-21. Further, its 'Mission 41K' to save ₹ 41,000 crore on energy consumption by Indian Railways over the next 10 years has generated good potential for the wires and cables industry. According to Budget 2020-21, the Railways would electrify 27,000 km of tracks by FY 2022-23. Railways was allotted ₹ 13.6 lakh crore while urban infrastructure was allotted ₹ 16.2 lakh crore in NIP, indicating the huge investment expected in the sector.

Currently, India has metro rails operational in 14 cities and under-construction projects in 19 cities. Nine more new/expansion projects have been approved by the Government. These projects will be a huge demand driver for wires and cables. The Government also plans to develop the metro rail sector through the Public-Private Partnership (PPP) model to draw more investments.

### 4. Urbanization and Housing Growth

With the growth of urban development and work-related migration to cities, a growing concern for India's urban planners is the massive urban housing shortage in the country. This has made housing and real estate sector a priority in the Government schemes. Massive infrastructure spending and urban development programs, further complemented by the growth of the middle-class with increasing income and prominence of nuclear families, are supporting the growth of real estate and housing sector. The affordable housing sector was inferred 'Infrastructure Status' by the Government and Budget 2020-21 allocated ₹ 50,040 crore to Ministry of Housing and Urban Affairs to facilitate affordable urbanization.

The affordable housing sector has received a significant impetus with schemes such as Housing for All by 2022, targeting 20 million households, and the Smart Cities Mission. Pradhan Mantri Awas Yojana Mission (PMAY) was launched in 2015 with an aim to provide housing for all by the year 2022. PMAY-CLSS (Credit Linked Subsidy Scheme) remains a key driver of this sector, which offers home loan subsidies up to ₹ 2.67 lakh under various eligibility criteria. Within the COVID-19 support package, the Government extended the deadline for CLSS for middle-income group up to March 2021, with an aim to keep the demand for affordable housing floating. Development in this sector is expected to drive large-scale growth in power infrastructure, and thereby fuel the demand for electric and telecom cables and housing wires.

### 5. Renewable Energy Push

India is gradually inching towards its goal of achieving 175 GW renewable energy capacity by 2022. According to Ernst & Young's Renewable Energy Country Attractiveness Index

2019 (RECAI); India ranks 3rd among the world's most attractive renewable energy markets.

### All India Renewable Energy Capacity (In GW) (FY 2019-20 vs. FY 2021-22)

Mode	FY 2019-20 (A)	FY 2021-22 (P)
Wind Power	37	60
Solar Power	35	100
Small Hydro Power	5	5
Bio-Power	10	10
<b>Total RES</b>	<b>87</b>	<b>175</b>

Central Electricity Authority (CEA) and Ministry of New & Renewable Energy (MNRE) A=Actual, P=Projection

Given the ambitious renewable energy target, it becomes mandatory to expand the grid connectivity in the next two fiscal years to be able to evacuate renewable power from generating stations. This is likely to significantly drive the market for cables and conductors. Further, solar power will play a significant role in the renewable energy space. The Union Budget 2020-21 provided ₹ 2,516 crore for the solar power sector, up 10.35% from Budget 2019-20. It also provided Central Financial Assistance for 7,500 MW of solar power capacity addition in FY 2020-21. According to MNRE, the Central Government pays 30% to 70% of the benchmarked installation cost for rooftop photovoltaic (PV) systems depending on the status of the states. Such initiatives can be a potential demand driver for solar cables and electric cables.

### 6. Green Energy Corridor

The Green Energy Corridor Project aims at merging renewable electric power with conventional power stations in the grid. MNRE sanctioned the Intra State Transmission System (InSTS) project in eight renewable-rich states of India. The project will construct 9,767 ckm transmission lines and substations with a total capacity of 19,000 MVA. This aims to evacuate 20,000 MW of large-scale renewable power and improve grid capacities in those states.

### 7. National Infrastructure Pipeline (NIP)

The future prospects for power, railways, real estate and telecommunications sectors, which have a direct bearing on product demand of Paramount Communications Limited, are immense. This is primarily due to the Government's infrastructure roadmap to boost the economy through facility development, investment push and job creation. The Finance Minister announced the National Infrastructure Pipeline (NIP) with a budget of ₹ 102 lakh crore for FY2020-25 and increased budget allocation in all key sectors. NIP has lined up 6,500 projects across 23 sectors to be funded by central and state Governments and the private sector, with

about 60% of fund allotted to sectors like power, railways, urban infrastructure and telecommunications. Since the Government is emphasizing on the Public-Private Partnership (PPP) mode, this long-term infrastructure roadmap will be a game-changer for the electrical equipment sector.

#### 8. Government support and Atmanirbhar Bharat

To increase investment, the Government reduced corporate tax to 15% for new companies in the manufacturing and power generation sector. To further encourage investments, the Government proposed 100% tax exemption<sup>4</sup> for investments made by the sovereign wealth funds of foreign governments in the infrastructure sector. Further, incentives are being provided for developing Greenfield and Brownfield Electronic Manufacturing Clusters (EMC).

Amid the COVID-19 pandemic outbreak, the manufacturing and industrial sector is facing a huge crisis, with millions of units staring at losses and the prospect of job cuts and production shutdown. The Government is offering strategized support to all sectors within the Atmanirbhar Bharat package. The package offers much relief to the struggling MSMEs and includes ₹ 3 lakh crore collateral-free automatic loans for businesses/MSMEs. Additionally, the Government will provide ₹ 20,000 crore of subordinate debt to about 2 lakh stressed MSMEs and has made provisions for ₹ 50,000 crore equity infusion for MSMEs through Fund of Funds. To encourage local MSMEs further and help them fight unfair competition, global tenders will be disallowed for government procurement up to ₹ 200 crore.

The package announced extensive measures to lift rural income and consumption. An Agri Infrastructure Fund with a ₹ 1 lakh crore budget was announced for developing farm-gate infrastructure. Additionally, a ₹ 10,000 crore scheme was announced for the formalization of Micro Food Enterprises promoting the 'Vocal for Local with Global Outreach' vision. Further support was also provided to fishery and animal husbandry. Such supports are expected to increase electricity consumption and demand for power infrastructure in rural areas.

<https://mnre.gov.in/green-energy-corridor/>

<https://pib.gov.in/newsite/PrintRelease.aspx?relid=197837>

<https://www.urbantransportnews.com/metro-rail-projects-in-india/>

<http://bharatnet.net/>

<https://www.prsindia.org/report-summaries/summary-announcements-aatma-nirbhar-bharat-abhiyaan>

[https://idea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-i\\_1.pdf](https://idea.gov.in/sites/default/files/Report%20of%20the%20Task%20Force%20National%20Infrastructure%20Pipeline%20%28NIP%29%20-%20volume-i_1.pdf)

<sup>4</sup><https://pib.gov.in/newsite/PrintRelease.aspx?relid=197837>

## COMPANY OVERVIEW

Paramount Communications Limited (hereinafter referred to as "Paramount" or "the Company"), is one of India's leading cables and wires manufacturing company. It has a comprehensive product portfolio ranging from housing wires to HV cables. It also offers EPC services independently or in collaboration with other established equipment manufacturers and construction companies, in India and overseas.

The Company has two state-of-the-art facilities located in Rajasthan and Haryana for the production of cables and wires. It has built a diverse and prestigious clientele over six decades of its operations.

## PRODUCT SEGMENTS

### Power

- LT & HT Power Cables
- LT & HT Aerial Bunch Cables
- Control Cables
- Instrumentation Cables

### Telecom

- OFC & FTTH
- Jelly Filled Cables
- CATV Cables

### Domestic

- Building Wires
- Submersible Cables
- Multi-Core Cables

### Railways

- Signaling Cables
- Quad Cables
- Railway Power
- Axle Counter Cables

### Special Products

- PTFE & Thermocouple Cables
- Fire Survival Cables
- Solar Cables

### EPC Services

- Telecom Consultancy & EPC
- Power & Railway EPC Turnkey Projects
- Specialized Projects OPGW

### Product-Wise Business Analysis and Performance

Paramount Communications Limited registered total gross revenue of ₹ 606.20 crore in FY 2019-20, as compared to ₹ 614.46 crore in the previous year. Power cables continued to remain the key contributor to its overall revenue during the year.

#### Revenue Break-up by Product Segment (%)

Segments	FY 2018-19	FY 2019-20
Power Cables	51.1%	50.3%
Telecom Cables (OFC and PIJF)	22.1%	8.1%
Railway Cables	19.4%	31.0%
Domestic Wires	5.1%	5.7%
EPC	1.3%	3.3%
Others - Scrap and Export Benefit	1.1%	1.7%

#### Power Cables

The power cables segment, with its extensive product line, is the largest revenue and profit generator for the Company. The segment leverages the Government's schemes in the transmission and distribution sector. In FY 2019-20, the segment contributed 50.3% to the total revenues. The total sale of power cables stood at ₹ 305.08 crore in FY 2019-20, as compared to ₹ 313.94 crore in the previous year.

#### Telecom Cables

Paramount Communications Limited is a leader in wiring and cabling solutions in the telecommunications sector, with an established reputation for high quality and lasting performance. In FY 2019-20, the demand for telecom cables witnessed a drop due to the slowdown in domestic public and private telecom sector. Most of the telecom projects were moving slowly due to severe cash crunch. Major telecom companies in India faced losses in the year after paying the dues for adjusted gross revenue (AGR). These factors and the COVID-19 outbreak in the Q4 FY 2019-20 put negative pressure on the overall industry performance. The impact was seen in Paramount's Optical Fiber Cable (OFC) and Jelly Filled Telephone Cables (JFTCs) businesses.

In FY 2019-20, the segment contributed 7.4% to total revenues. The total sale of OFCs stood at ₹ 45.12 crore in FY 2019-20, as compared to ₹ 131.69 crore in the previous year. The total sale of Jelly Filled Telephone Cables (JFTCs) stood at ₹ 3.83 crore in FY 2019-20 as compared to ₹ 4.10 crore in the previous year. The JFTC segment comprised about 0.6% of the Company's FY 2019-20 revenues.

This scenario is expected to change with the stabilization of trade tensions across the globe, improvement in the domestic scenario, and the development of Digital India projects and 5G infrastructures. However, the industry remains cautious on the outlook because of the long term fallout of COVID-19.

#### Railway Cables

Paramount Communications Limited has been the largest supplier of specialized cables to the Indian Railways. This segment revenue growth is being driven by the ever-growing electrification of railways in India. The total sale of Railway Cables stood at ₹ 187.70 crore in

FY 2019-20, as compared to ₹ 119.14 crore in the previous year. The segment constitutes approximately 31.0% of the Company's FY 2019-20 revenues.

#### Domestic Wires

The Company manufactures a full range of long-lasting building wires for the Indian consumer market. In FY 2019-20, the segment of Domestic Wires contributed 5.7% to the total revenues. The sale of domestic wires stood at ₹ 34.27 crore in FY 2019-20, as compared to ₹ 31.22 crore in the previous year.

#### EPC Projects

The segment of EPC Projects contributed 3.3% to the total revenues. The EPC Project revenue stood at ₹ 19.86 crore in FY 2019-20, as compared to ₹ 7.82 crore in the previous year.

#### Others -Export and Scrap Benefits

The Export and Scrap benefit revenue stood at ₹ 10.34 crore in FY 2019-20, as compared to ₹ 6.55 crore in the previous year.

#### Competitive Business Strategy

Paramount Communications Limited, operating in a fiercely competitive market, has been registering steady growth in revenue and EBITDA led by its high quality and innovative products introduced through continuous investments in research and development (R&D). This performance is supported by a strong distribution network and deep-rooted customer relations. The Company is well-equipped to cater to growing demands from various sectors. Its business strategy is driven by its key strengths:

##### I. Diversified range of products

Paramount Communications Limited has a diversified range of wires and cables catering to three of the five core infrastructure sectors. The Company's access to multiple sectors and a diversified business model without dependency on any particular sector and product add strength to its business strategy.

##### II. Institutional business

Strong institutional sale secures the Company's cash flow as Paramount Communications Limited is an approved and reliable cable supplier to the Government, Public Sector Units and almost all the major private players. The majority of the Company's revenue comes from Government and institutional sales. This segment is expected to witness further growth owing to the Government's impetus towards infrastructure projects.

##### III. Distribution growth

Paramount Communications Limited is focused on growing its retail business which has better profit margins and lower capital expenditure. The Company is expanding the market reach of its fire-retardant and lead-free home wiring solutions across India, with a large network of dealers and distributors.

#### IV. Strong balance sheet

The Company is backed by a strong balance sheet post corporate debt restructuring and Foreign Currency Convertible Bond (FCCB) conversion into equity. The Company's debts are well in control.

#### V. EPC opportunities

The Company is targeting EPC opportunities in the telecom and power segments for generating revenue in the long term as the Government is relying on EPC and PPP mode for its larger projects.

#### VI. Export opportunities

Paramount Communications Limited is growing its export base for power and telecom cables in various international markets. For this, it is leveraging its highest technological parameters, global certifications and testimonials from domestic and international clientele. The Company is also intensifying its R&D activities and product upgradation for a better grip in the international market.

#### Management Outlook

The Indian Government's push for infrastructural development, urbanization, industrialization and housing and universal electrification will continue to support the growth of Paramount Communications Limited. Power cable segment, which drives the largest share of revenue for the Company will be supported by the Government's continuous investment in the development and revamping of the transmission and distribution network. Notwithstanding the current challenges from the COVID-19 pandemic, the Company is positive about growth potentials in the next fiscals. As an approved and reliable cable supplier to large Government and private projects, the Company has a secured source of revenue to support its cash flows. The Company has enhanced its focus on the institutional segment with EPC services targeted at large infrastructure projects in key sectors planned under NIP.

Further, an equal focus on retail sales and steady expansion of distribution and dealer network is expected to support its growth once economic activities are normalized in the country. The Company also has a strong order book position in hand from the domestic and export market to optimize production capacity utilization. In the short term, the Company expects its business in H1 FY 2020-21 to be offset by the lockdown and partial manufacturing capacity utilization and delay in Government projects. However, the Company expects the business to improve gradually in H2 FY 2020-21.

#### Financial Performance

The Company's standalone Gross Turnover including other income stood at ₹ 608.89 crore in FY 2019-20 in comparison with ₹ 617.77 crore in FY 2018-19. Net Profit (including other comprehensive income) for FY 2019-20 stood at ₹ 26.35 crore in comparison with ₹ 29.16 crore in FY 2018-19. Finance costs for FY 2019-20 stood at ₹ 10.52 crore, as against ₹ 7.98 crore in FY 2018-19.

Consolidated Gross Turnover including other income came in at ₹ 608.89 crore for FY 2019-20, as against ₹ 617.77 crore in FY 2018-19. Net Profit including other comprehensive income for FY 2019-20 stood at ₹ 26.35 crore, as against ₹ 29.16 crore in FY 2018-19.

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

Particulars	FY 2019-20	FY 2018-19	% change
Inventory Turnover	4.15	6.05	(31%)
Debt Equity Ratio	1.02	1.39	(27%)
Return on Net Worth	14.46%	20.62%	(30%)

#### Risk Management

Paramount Communications Limited recognizes that risk is integral to the business. The Company's risk management process is focused on ensuring that there is a timely and effective process for identifying, addressing and dealing with all relevant risks. The Company has formed a Risk Management Committee to oversee the risk management efforts. The risk management mechanism involves evaluation of the risks at the backdrop of internal and external business environment and preparing a risk treatment plan with cost estimates and strategy. The Company takes a periodic review of the risks and prepares a mitigation framework. The key risks that can have an impact on the business and the appropriate control measures to mitigate the same are shared below:

**Competition Risk:** With the growth of cables and wires sector, more and more organized players are thronging the market posing competition threat to each other. If the competition offers better pricing and superior quality of products, it can impact the Company's sales. Paramount Communications Limited's wide range of high-quality innovative products with international certification and value pricing has already created a niche for the Company in the market. Additionally, the Company's OFC and railway cables businesses have put it in an advantageous position for better growth.

**Supply Risk:** Globally, demand for products like optical fiber cables are growing exponentially because of Internet of Things (IoT) and 5G network, which may cause a supply shortage leading to a default in deliverables for the Company. To mitigate the risk of short supply and ensure business continuity, the Company has entered into long-term contracts with fiber manufacturers.

**Technology Risk:** Product performance has been the key area of technological improvements for companies who make various specialty cables. Failure to upgrade products according to client standard and product failure may lead to loss of business. The Company gives utmost importance to technology and keeps upgrading its products according to the latest technological developments. A robust R&D team and process control systems helps the Company assure quality and technology upgrades.

**Raw Material Price and other Financial Risk:** Volatility in the prices of raw materials like copper, aluminium, steel, nickel etc., can have an impact on the prices of cables and house wires manufactured by the Company. Additionally, not having enough financial resources to meet the Company's obligations in time might lead to cost overrun and loss of assets. The Company has adequate control systems which facilitate effective management of financial risks and price volatility and suggest cost control measures. The Company maintains an optimal inventory level and takes necessary price hikes or cuts to balance commodity price fluctuations.

**Foreign Exchange Fluctuation Risk:** Being a major exporter of cables and having import dependence for raw materials, the Company is exposed to foreign exchange fluctuation risks. The Company monitors currency fluctuations and practices adequate hedging to minimize the impact of adverse exchange rate fluctuations. The Company does proper sensitivity analysis for domestic and foreign borrowings.

**Policy Change Risk:** The Company's institutional sales and EPC business are critically exposed to risks driven by a change in government, legislation, policies and regulations. Business can also be impacted by monetary policy changes which might affect borrowing terms. The Company has focused on developing its retail business parallelly to protect the business from changes in Government policies. The Company has also diversified into various sectors to leverage on Government's changing policies. Along with that, the Company has increased its exports to reduce sole dependency on the domestic market.

## INFORMATION TECHNOLOGY

Information Technology (IT) is the driving force behind all process and product innovations that lead a business to success and growth. Paramount Communications Limited maintains an efficient IT department to monitor and control the technological and cyber processes. The department also updates all the technological processes as per the industry standard and latest trends. High-end software and powerful server are used to run existing business operations and to design and maintain new products, services, frameworks, processes and methodologies. Currently, SAP S4/HANA full suite, a future-ready enterprise planning system (ERP) is under implementation and will be going live in FY 2020-21. The management of the Company

encourages investment in technological upgrade and R&D, to offer innovative products and solutions to the customers and improve customer experience and communication. With work-from-home becoming the new normal post the pandemic, the Company's robust technology infrastructure has ensured that employees can remote work seamlessly with little or no disruption. Such comprehensive efforts have visibly benefited the Company in its growth.

## Human Resources

For Paramount Communications Limited, human capital is one of the key driving factors towards sustainable growth. The Company believes in hiring professionals with the right attitude and moulding them with proper training and skill development to make them a part of Company's growth processes. The Company has a well-structured HR policy that aligns employees' professional goal with the organization's growth vision for a win-win situation. Regular quality and production workshops and training programs are organized for employees' skill upgrade and personal and professional development. The Company further focuses on nurturing a transparent and motivation work culture for the employees to uplift their morale. A safe and stimulating work environment is maintained across all its manufacturing facilities and offices to enhance productivity. To keep the employees motivated and engaged, the Company maintains a fair reward and remuneration process. This plays a significant role in keeping the attrition rate in control.

## Internal Control System

The Company has in place an efficient and adequate system of internal control in proportionate to the size and nature of the business it operates in. The internal control system looks into all financial, legal and regulatory matters of the Company. The system assures that all financial, commercial and operational reporting is done accurately and in time. The system makes sure the Company's operations comply with all applicable laws, safeguards the assets of the Company and ensures compliance with corporate policies in order to maintain smooth operations and productivity. The organizational structure is properly articulated with well-defined policies and guidelines and distinguished authority levels. All audit reports are submitted directly to the Audit Committee of Board which reviews and approves performance of internal audit function. The Committee performs the necessary checks and takes up measures needed to make the system more efficient.

# Directors' Report

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

Your directors are pleased to present the Twenty Sixth Annual Report on the Business and operations of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

## 1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2020 is summarised below:

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
<b>Net Revenue including Other Income</b>	<b>60,889</b>	<b>61,777</b>
<b>Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items</b>	<b>4,770</b>	<b>4,550</b>
Interest	1,030	770
Depreciation & Amortization expenses	1,105	864
Profit/(Loss) before Tax and Exceptional Items	2,635	2,916
Tax Expenses	-	-
<b>Profit/(Loss) after Tax and Exceptional Items</b>	<b>2,635</b>	<b>2,916</b>
Other Comprehensive Income	(21)	1
<b>Total Net Profit/(Loss) for the year including other Comprehensive Income</b>	<b>2,614</b>	<b>2,917</b>

During the financial year ended 31<sup>st</sup> March 2020, your Company recorded net revenue ₹ 60,889 lakhs as compared to the total revenue of ₹ 61,777 lakhs recorded during the previous financial year ended 31<sup>st</sup> March 2019. The total Net Profit including other comprehensive Income of the Company for the financial year ended 31<sup>st</sup> March 2020 was ₹ 2,614 lakhs as against ₹ 2,917 lakhs during previous year 2018-2019.

### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Act and Listing Regulations read with Ind AS-110-Consolidated Financial Statement, the consolidated audited financial statement forms part of the Annual Report.

## 2. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

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

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

### Note:

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

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, 2020.

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

## 3. TRANSFER TO RESERVES

During the Period under review, your Company does not propose to transfer funds to the General Reserves.

#### 4. DIVIDEND

Your directors do not recommend declaration of any dividend for the financial year 2019-2020.

#### 5. FUTURE OUTLOOK

Government initiatives such as 'Power for All', Atal Mission for Rejuvenation and Urban Transformation (AMRUT), thrust on expansion of Railway Network and Optical Fiber telecom connectivity across the country, etc. will support the growth of wires and cables. As per the Finance Minister's Budget Speech, 2020-21, the government has envisaged an investment of ₹ 102 lakh crore for infrastructure development over the next 5 years. Moreover, ₹ 50 Lakh crores is earmarked for Indian Railway network between 2018 to 2030. Digital India, BharatNet, and introduction of 5G technology in the mobile spectrum shall create substantial demand for Optical Fibre Cables. Your Company enjoys a strong competitive edge, being among the top national players in Telecom, Railways and Power Sectors and shall be ideally positioned to take full advantage of the tremendous investment for the country's infrastructure.

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

We remain committed to drive increased sales and profitability through extending reach of our product offerings. Our sound financial position provides us ample scope to expand our capacities. Your Company's vision for the coming year is to be a key participant in every relevant initiative of the Government so as to boost its growth prospects.

#### 6. DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

##### Global Pandemic - COVID-19

The Outbreak of Coronavirus (COVID-19) Pandemic globally and in India has had an impact on almost all entities, directly or indirectly, causing significant disturbance and slowdown of economic activity. The COVID-19 Pandemic developed rapidly into a global crisis, forcing Indian Government to enforce nationwide lockdown from March 24, 2020 for 21 days which further got extended till May 3, 2020 to prevent the community spread of COVID-19 in India. Various local restrictions and prohibitions are still continuing in several parts of the country resulting in disturbances in the supply chain and other aspects including manpower.

During April, 2020, the Company has partially commenced production and supply of goods at its manufacturing locations after obtaining permission of the appropriate government authorities and post completion of mandatory safety checks and training of personnel on physical distancing, health & hygiene as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India.

##### Change in Capital Structure

During the year under review, the Company has issued and allotted in aggregate 2,24,00,000 warrants at a price of ₹ 9.81/- to Promoter and Promoter Group on Preferential Basis. The Allottee(s) has paid the 25% of the warrant issue price as prescribed by the SEBI (ICDR) Regulations at the time of allotment of warrants.

The Share Allotment Committee of the Board has issued and allotted 1,23,50,000 equity shares of face value of ₹ 2/- each consequent to conversion of warrants to the eligible allottees from Promoter Group on payment of 75% balance amount. Accordingly, the paid-up share capital of the Company has increased from 17,17,83,965 Equity Shares of face value of ₹ 2/- each to 18,41,33,965 Equity Shares of face value of ₹ 2/- each.

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. During the year under review, the Company was not required to transfer any amount to the Investor Education and Protection Fund.

In terms of the requirement of Section 124 (6) of the Companies Act, 2013 read with Explanation to Rule 6 (1) of Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), which has come into effect from 20<sup>th</sup> August, 2019, all equity shares in respect of which dividend has been transferred to Investor Education and Protection fund on or before 7<sup>th</sup> September, 2016, shall also be transferred by the Company to the IEPF Account established by the Central Government.

The Company has sent individual communication to the concerned shareholders whose shares are liable to be transferred to IEPF Account as per the said Rules. The details of such shareholders is displayed on the website of the Company <http://www.paramountcables.com/>.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a) Composition

- i) Your Company's Board has an optimum combination of Executive, Non-executive and Independent Directors with two women Directors, as per the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as on date. The composition of the Board and the Independent Directors of the Company meet all the criteria mandated by SEBI Listing Regulations, 2015 and the Companies Act, 2013.
- ii) None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
- iii) Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In accordance with the provisions of the Act and the Company's Articles of Association, Mr. Sandeep Aggarwal (DIN 00002646), Managing Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board of Directors has approved:

- i) Re-appointment of Mrs. Malini Gupta as a Non-Executive Independent Director of the Company for a further term of five years effective from April 01, 2020;
- ii) Appointment of Mrs. Praveena kala as a Non - Executive Independent Director of the Company for a period of 5 (five) years in terms of the provisions of section 149 of the Companies Act, 2013.
- iii) Re-appointment of Mr. Sanjay Aggarwal as Whole Time Director, designated as Chairman & CEO for a further period of three years effective March 01, 2021; and
- iv) Re-appointment of Mr. Sandeep Aggarwal as Managing Director for a further period of three years effective March 01, 2021

The Board of Directors on the recommendation of the Nomination and remuneration Committee commends their appointment/re-appointment at the ensuing AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that:

- i) They meet the criteria of Independence prescribed under the Act and the Listing Regulations and
- ii) They have registered their names in the Independent Directors' Databank.
- iii) They have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

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

The above proposals for appointment and re-appointment forms part of the notice of the 26<sup>th</sup> Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

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

## 9. KEY MANAGERIAL PERSONNEL

Ms. Tannu Sharma, Company Secretary and Chief Compliance officer of the Company had resigned from the services of the Company with effect from closing hours of 31<sup>st</sup> May 2019.

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

Mr. Sanjay Aggarwal, Chairman & CEO, Mr. Sandeep Aggarwal, Managing Director, Mr. Shambhu Kumar Agarwal, Chief Financial Officer and Ms. Rashi Goel, Company Secretary & Compliance Officer are the Key Managerial

Personnel of your Company under the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

#### 11. BOARD EVALUATION

The Company has a policy for performance evaluation of the Board, Committees, and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

#### 12. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that :

- i) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departure from the same;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;

- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 13. SECRETARIAL STANDARDS

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

#### 14. NOMINATION AND REMUNERATION POLICY

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

#### 15. ANNUAL RETURN

In terms of the provisions of Section 134(3)(a) read with 92(3) of the Companies Act, 2013 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the website of the Company [www.paramountcables.com](http://www.paramountcables.com) under the link <https://paramountcables.com/wp-content/uploads/2020/09/Extract-of-Annual-Return-MGT-9.pdf>

#### 16. RISK MANAGEMENT

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 frame, implement and monitor the risk management plan for the Company. The Committee periodically monitors and assesses the risk management plan and ensure its effectiveness, along with the cost of treating risk and incorporates risk treatment plans in its strategy, business and operational plans.

Further details on the key risks identified and their mitigations are covered in Management's Discussion and Analysis section, which forms part of the Annual Report.

#### 17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its

size and nature of business. This system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, and ensuring compliance with corporate policies. Assurance to the Board on the effectiveness of Internal Financial control through Internal Audit function and submission of Internal Audit Report to the Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system.

## 18. INDUSTRIAL RELATIONS

Paramount is an equal opportunities employer. The Company does 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 employees, 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.

## 19. RELATED PARTY TRANSACTIONS

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

During the year 2019-2020, 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 dealing with Related Party Transactions as approved by Board is put up on the Company's website and can be accessed at [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-A**" to this report.

Members may refer Note 47 to the Standalone Financial Statement which sets out related party disclosures pursuant to Ind AS.

## 20. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and a Whistle- Blower policy in accordance with provisions of the Act and Listing Regulations. The Audit Committee periodically review the complaints and incidents, if any. Protected disclosure can be made by a whistle blower through an e-mail or letter to the chairman of the Audit Committee. The Vigil Mechanism and Whistle-blower policy is put up on the Company's website at [www.paramountcables.com](http://www.paramountcables.com).

## 21. AUDITORS AND AUDITORS REPORT

### a) Statutory Auditors:

P. Bholusaria & Co., Chartered Accountants was appointed as Auditors of the Company for a term of 5 (five) consecutive years, at the AGM held on August 17, 2017. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### b) Cost Auditors

As per Section 148 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company have appointed M/s. Jain Sharma & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2020-2021 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, would be ₹50,000/- (Rupees Fifty Thousand only) and out of pocket expenses, plus taxes. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

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

**c) Secretarial Auditor**

The Board has appointed Mr. Abhishek Mittal, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith and marked as **Annexure-B** to this Report.

**d) Annual Secretarial Compliance Report**

A Secretarial Compliance Report for the financial year ended 31st March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Nitin Gupta, Company Secretary in Whole Time Practice, and submitted to the stock exchange.

**22. DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITORS**

There were no instances of fraud reported by the auditors.

**23. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Over the years, the Company has focused on several corporate social responsibility programmes like Empowering Children and Women, Promoting Health & Sanitation and Nurturing Communities. However, the provisions of the Act related to CSR and Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable to the Company.

**24. LOANS, GUARANTEE(S) OR INVESTMENT(S)**

During the year, your Company has duly complied with the provisions of section 186 of the Companies Act, 2013 and no loan and guarantee was granted by the Company under

Section 186 of the Companies Act, 2013. The particulars of the investments made by the Company are given in the notes to the financial statements.

**25. ENVIRONMENT, HEALTH AND SAFETY**

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

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

**26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

As required under Section 197(12) of the Act read with Rule 5 (1) 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-C**", which is attached hereto and forms a part of this Report.

In terms of the provisions of Section 197 (12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee is covered under the purview of the aforesaid Section/Rule.

**27. UTILISATION OF PROCEEDS OF PREFERENTIAL ALLOTMENT OF WARRANTS**

The funds raised through preferential allotment of warrants to Promoter/Promoter Group convertible into equity shares have been utilized as per the objects / purpose of the preferential allotment as stated in the Explanatory statement of the Postal Ballot Notice dated 08.11.2019 of the Company and there was no deviation in the utilization of proceeds. The details of utilization of proceeds are as under:

Original Object	Modified Object, if any	Original Allocation (₹)	Modified allocation, if any	Funds Utilised	Amount of Deviation/ Variation if any
The Company has utilized the funds for Capital Expenditure for expansion and modernization of Business Activities, working Capital Requirement and R & D Expenditure	Not Applicable	14.59 crores	Not Applicable	14.59 crores	Not Applicable

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

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

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

### 29. CORPORATE GOVERNANCE

The Company is committed to adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India (“SEBI”). The report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

### 30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### 31. 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.

### 32. INSURANCE

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

### 33. 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) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d) Neither the Managing Director nor the Whole Time Director of the Company receives any remuneration or commission from any of its subsidiaries.
- e) 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.
- f) There has been no change in the nature of business of the Company.

### 34. ACKNOWLEDGMENT AND APPRECIATION

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the government and regulatory authorities, banks, customers, vendors and members during the year under review.

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

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

Place: New Delhi  
Date: 28<sup>th</sup> August 2020

## 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, 2020, 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, 2020 are as follows:

Name of Related Party	Nature of Relationship	Duration of Contracts/ Arrangements/Transactions	Salient terms	Amount (₹ in Lakhs)
<b>Rent Paid</b>				
Paramount Telecables Limited	Common Control	1 <sup>st</sup> April, 2019- 31 <sup>st</sup> March, 2020	As per the Agreement	266.67
<b>Purchase Transaction</b>				
Valens Technologies Pvt. Ltd.	Common Control	1 <sup>st</sup> April, 2019- 31 <sup>st</sup> March, 2020	As per the Agreement	47.25
<b>Sale Transaction</b>				
Valens Technologies Pvt. Ltd.	Common Control	1 <sup>st</sup> April, 2019- 31 <sup>st</sup> March, 2020	As per the Agreement	1.00

**Form No. MR-3****Annexure-B****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

To,  
The Members,  
**PARAMOUNT COMMUNICATIONS LIMITED**  
(CIN: L74899DL1994PLC061295)  
C-125, NARAINA INDUSTRIAL AREA,  
PHASE-1, NEW DELHI - 110028

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as shown to us and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our knowledge and understanding, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** ("Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020, and as shown to us, according to the provisions of:

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

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

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

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

1. The company has filed MGT-14 with regard to consideration and approval of annual audited accounts along with the Auditors Report for the FY 2018-19 after the due date i.e. beyond 30 days.
2. The company has filed MGT-14 with regard to Issue of Equity Warrants convertible into equal number of equity shares to Promoter and Persons/entities belonging to Promoter Group on Preferential Basis after the due date i.e. beyond 30 days.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31<sup>st</sup> March, 2020. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice was given to all directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were generally sent in advance. There exist a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- As informed by the management and on the basis of signed Minutes of Board Meeting, it is apparent that all the decisions were carried through unanimous consensus and there were no dissenting members' views and hence, no recording was done in this regard as part of the minutes.

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

We further report, to the best of our knowledge and understanding, that during the audit period, there were no specific events/actions except the following having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

1. The Company has issued and allotted in aggregate 2,24,00,000 warrants at a price of ₹ 9.81/- to Promoter and Promoter Group on Preferential Basis.

The Share Allotment Committee of the Board has issued and allotted 1,23,50,000 equity shares of face value of ₹ 2/- each consequent to conversion of warrants to the eligible allottees from Promoter Group on payment of 75% balance amount. Accordingly, the paid-up share capital of the Company has increased from 17,17,83,965 Equity Shares of face value of ₹ 2/- each to 18,41,33,965 Equity Shares of face value of ₹ 2/- each

2. The Company has received a Show Cause Notice on 25th June, 2019 for non-compliance of Section 124(6), Section 206(7) of the Companies Act, 2013 and Rule 7(2) under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2017. The show cause notice was replied by the company vide its letter dated 20.11.2019.

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

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

For **Abhishek Mittal & Associates**

**(CS Abhishek Mittal)**

Practising Company Secretary

M. No. : F7273 C. P. No. : 7943

UDIN: F007273B000614528

Place: New Delhi

Date: 25<sup>th</sup> August 2020

**"Annexure A"**

To,  
The Members,  
**PARAMOUNT COMMUNICATIONS LIMITED**  
(CIN: L74899DL1994PLC061295)  
C-125, NARAINA INDUSTRIAL AREA,  
PHASE-1, NEW DELHI - 110028

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

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

For **Abhishek Mittal & Associates**

**(CS Abhishek Mittal)**

Practising Company Secretary

M. No. : F7273 C. P. No. : 7943

UDIN: F007273B000614528

Place: New Delhi

Date: 25<sup>th</sup> August 2020

## Annexure-C

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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (₹ in Lakhs)	% increase in Remuneration in the financial year 2019-20	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Sanjay Aggarwal (Whole Time Director)	178.19	205%	38.06
2.	Mr. Sandeep Aggarwal (Managing Director)	177.91	209%	38.00
3.	Mr. Shambhu Kumar Aggarwal (Chief Financial Officer)	31.25	13%	6.67
4.	Ms. Tannu Sharma (Company Secretary & Chief Compliance officer) (Resigned with effect from 31 <sup>st</sup> May 2019)	0.90	NA	NA
5.	Ms. Rashi Goel (Company Secretary and Compliance Officer) (Appointed with effect from 1 <sup>st</sup> June, 2019)	8.33	NA	NA

- B. There were 303 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2020.
- C. The explanation on the relationship between average increase in remuneration and Company performance: The Key Performance Indicators (KPI) are set for each year with the main focus on Order Bookings, Revenues, Profits, etc. which are keenly monitored and measured against the set targets.
- D. Average percentage increase in the salaries of employees other than managerial personnel in the financial year 2019-2020 was approximately 10.5%.
- 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, 2020 is as per the Remuneration Policy of the Company.

# Annexure-D to The Directors' Report

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

## A. CONSERVATION OF ENERGY:

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

## B. TECHNOLOGY ABSORPTION:

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

R & D expenditure has not been accounted for separately.

### II. Technology Absorption, Adaptation and Innovation

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

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

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

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

### III. Foreign Exchange Earnings and Outgo

Earnings : ₹ 2,618.95 Lakhs

Outgo : ₹ 2,960.42 Lakhs

For and on behalf of the Board

(Sanjay Aggarwal)

Chairman & CEO

(DIN No. 00001788)

Place: New Delhi

Date: 28<sup>th</sup> August 2020

# Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the report contains the details of Corporate Governance systems and processes at Paramount Communications Limited (PCL).

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

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its shareholders. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's corporate governance philosophy has been further strengthened through the Paramount Code of Conduct for Prevention of Insider Trading ("Insider Trading Code").

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

## 2. BOARD OF DIRECTORS

### ➤ Composition of the Board

- (i) The Company has six Directors. Of the six Directors, four (i.e. 66.7 percent) are Non-Executive Independent Directors. The profiles of Directors can be found on [www.paramountcables.com](http://www.paramountcables.com). The Composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013.
- (ii) None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent

director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2020 have been made by the Directors. None of the Directors is related to each other except Sanjay Aggarwal and Sandeep Aggarwal, Executive Directors of the Company.

- (iii) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- (iv) Four board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: May 04, 2019; August 14, 2019; November 08, 2019; January 29, 2020. The necessary quorum was present for all the meetings.
- (v) The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of Board Meetings attended during FY 2020	Whether attended last AGM held on September 24, 2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Sanjay Aggarwal (Chairman & CEO) DIN 00001788	Executive Director	4	Yes	0	0	0	0	0
Sandeep Aggarwal (Managing Director) DIN 00002646	Executive Director	3	Yes	0	0	0	0	0
Vijay Bhushan DIN 00002421	Independent, Non-Executive	4	No	1	3	2	1	1. Bharat Bhushan Finance and Commodity Brokers Limited.(Non Executive -Non Independent Director) 2. KEI Industries Limited (Non Executive-Independent Director)
Vijay Maheshwari DIN 00216687	Independent, Non-Executive	4	Yes	0	1	0	0	1. Sumedha Fiscal Services Limited
Malini Gupta DIN 03464410	Independent, Non-Executive	4	No	0	0	0	0	0
Praveena kala*** DIN 08765830	Independent, Non-Executive	NA	NA	0	0	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

\*\*\*Ms. Praveena kala was appointed as Independent, Non-Executive Director of the Company with effect from 14.07.2020, subject to the approval of shareholders at the ensuing AGM

(vi) During FY 2020, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration

(vii) During FY 2020, one meeting of the Independent Directors was held on January 29, 2020.

(viii) The Board periodically reviews the compliance reports of all laws applicable to the Company.

(ix) Details of equity shares of the Company held by the Directors as on 31<sup>st</sup> March, 2020 are given below:

Name	Category	Number of Equity Shares
Sanjay Aggarwal	Non-Independent, Executive	97,61,013
Sandeep Aggarwal	Non-Independent, Executive	97,00,733

- (x) Details of outstanding shares warrants convertible into equity shares of the Company held by the Directors as on 31<sup>st</sup> March, 2020 are given below:

Name	Category	Number of Share Warrants
Sanjay Aggarwal	Non-Independent, Executive	43,00,000
Sandeep Aggarwal	Non-Independent, Executive	43,00,000

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

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

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

**(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. Vijay Maheshwari - Chairman of the Committee is a fellow member of the Institute of Chartered Accountants of India (ICAI) and has expertise in accounting & finance matters. Mr. Vijay Maheshwari was present at the last Annual General Meeting of the Company held on 24<sup>th</sup> September, 2019. Ms. Rashi Goel, Company Secretary of the Company acts as the Secretary of the Committee.

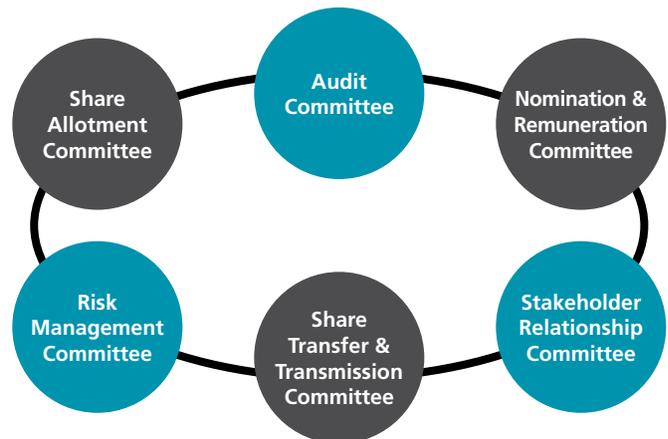
**Meetings of Audit Committee held during the financial year 2019-20.**

During the financial year ended on 31<sup>st</sup> March, 2020, four meetings of the Audit Committee were held. The composition of Audit Committee, date on which the meetings were held and attendance of Directors at the above meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings			
		4 <sup>th</sup> May, 2019	14 <sup>th</sup> August, 2019	8 <sup>th</sup> November, 2019	29 <sup>th</sup> January, 2020
Mr. Vijay Maheshwari	Chairman	√	√	√	√
Mr. Vijay Bhushan	Member	√	√	√	√
Ms. Malini Gupta	Member	√	√	√	√

**3. COMMITTEES OF THE BOARD**

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, 2020, and attendance of Directors thereat, are given hereunder.

**Notes:**

- 1) Due to change in Composition of Board of Directors, the Board has reconstituted the Audit Committee with effect from 01.04.2019.
- 2) Mr. Vijay Maheshwari and Mrs. Malini Gupta had been elected as member of the Committee with effect from 01.04.2019.
- 3) Ms. Tannu Sharma had resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- 4) Ms. Rashi Goel had been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.
- 5) Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- 6) Proper quorum was present at the afore mentioned meetings of the Audit Committee.

**Powers of Audit Committee**

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

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 Committee comprises of Mrs. Malini Gupta, Mr. Vijay Bhushan, Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal. Mrs. Malini Gupta, non-executive and independent director is the Chairperson of the Committee.

The Committee, inter alia, overlooks:

1. Investor's grievances/complaints such as non-receipt of notices, annual reports.
2. Share Transfer/Transmission related work.
3. Issue of duplicate share certificate

**Meetings**

During the financial year ended on 31<sup>st</sup> March, 2020, one meeting of the Stakeholders' Relationship Committee was held. The composition of Stakeholders' Relationship 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> January, 2020
Ms. Malini Gupta	Chairperson	√
Mr. Vijay Bhushan	Member	√
Mr. Sanjay Aggarwal	Member	√
Mr. Sandeep Aggarwal	Member	√

No investor complaints were received during the year under review. The requests for change of address, exchange of share certificate, KYC registration were received during the year, and all were replied to the satisfaction of the shareholders. There were no outstanding complaints/requests as on 31.03.2020.

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

**Notes:**

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

**(c) NOMINATION & REMUNERATION COMMITTEE**

The Board has constituted a Nomination & Remuneration Committee, comprising of three independent non-executive directors viz. Mr. Vijay Bhushan - Chairman of the Committee, Mr. Vijay Maheshwari and Mrs. Malini Gupta. Meeting of the Nomination & Remuneration Committee are held as and when required to fix, review/revise or modify the remuneration of the executive directors. During the year under review Ms. Rashi Goel, Company Secretary acts as the Secretary of the Committee.

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

Name of the Director	Position in the Committee	Presence of directors at the meetings	
		4 <sup>th</sup> May, 2019	29 <sup>th</sup> January, 2020
Mr. Vijay Bhushan	Chairman	√	√
Mr. Vijay Maheshwari	Member	√	√
Mrs. Malini Gupta	Member	√	√

**Note:**

- 1) Due to change in Composition of Board of Directors, the Board has reconstituted the Nomination and Remuneration Committee with effect from 01.04.2019.
- 2) Mr. Vijay Maheshwari and Mrs. Malini Gupta had been elected as member of the Committee with effect from 01.04.2019.
- 3) Ms. Tannu Sharma had resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- 4) Ms. Rashi Goel had been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.

The Terms of reference are as follows:

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

Further, the Nomination and Remuneration Committee also ensures that—

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

**Performance Evaluation criteria for Independent Directors:**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution, maintenance of confidentiality, integrity and timely decisions.

**(d) SHARE ALLOTMENT COMMITTEE**

The Share Allotment Committee was constituted by the Board of Directors of the Company with detailed terms of reference which include, inter-alia, the following powers:

- To consider and allot the equity shares upon conversion of warrants, as requested by the warrant holders from time to time.
- To consider and allot the equity shares upon conversion of other convertible securities issued by the Company from time to time.
- To exercise all other powers as may be delegated by the Board from time to time.

One meeting of the Share Allotment 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
<b>4<sup>th</sup> March, 2020</b>		
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

Ms. Rashi Goel, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

**(e) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee of the Company is constituted in line with Regulation 21 the SEBI (LODR) Regulations to frame, implement and monitor the risk management plan for the Company. During the year ended 31<sup>st</sup> March, 2020, 1 (One) meeting was held on March 4, 2020. The Composition of the Committee and attendance of members at the meetings are as under:

Name of the Director	Position in the Committee	Presence of directors at the meeting
<b>4<sup>th</sup> March, 2020</b>		
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

Ms. Rashi Goel, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

Further, the Risk Management Policy has also been uploaded on the Company's website at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

**f) 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
<b>29<sup>th</sup> January, 2020</b>	
Mr. Vijay Maheshwari	√
Mr. Vijay Bhushan	√
Mrs. Malini Gupta	√

**g) DETAILS OF THE REMUNERATION FOR THE YEAR ENDED MARCH 31, 2020****➤ Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2019-2020:**

Aggregate value of salary, perquisites and commission paid during the financial year 2019-20 to the executive directors (Key Managerial Personnel) are as follows:-

Name	Salary, perquisites and Defined Benefit Plan	Company's Contribution to P.F.	Sitting Fees	Total
<b>₹ in Lakhs</b>				
Mr. Sanjay Aggarwal	160.19	18.00	Nil	178.19
Mr. Sandeep Aggarwal	159.91	18.00	Nil	177.91

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

The Non-executive Directors are paid a sitting fee at the rate of 60,000/- (Rupees Sixty Thousand Only) per meeting. The independent directors are also paid a lump sum for conveyance and out of pocket expenses at the rate of 10,000/- (Rupees Ten 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, 2020 are as follows:

Name of the Director	Sitting Fee paid
<b>₹ in Lakhs</b>	
1. Mr. Vijay Maheshwari	6,60,000
2. Mr. Vijay Bhushan	7,20,000
4. Mrs. Malini Gupta	7,20,000

➤ **Number of shares held by Non- Executive Directors**

None of the Non-Executive Directors holds any share of the Company in their individual capacity.

**4. GENERAL MEETINGS**

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

Date & Time	24 <sup>th</sup> September, 2019 at 3.00 P.M	21 <sup>st</sup> September, 2018 at 11.30 A.M	17 <sup>th</sup> August, 2017 at 11.00. A.M
Financial year	2018-2019	2017-2018	2016-2017
Venue	Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003	Air Force Auditorium, NH 48, Subroto Park, New Delhi-110010	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003
Special Resolution(s) Passed	Re-appointment of Mr. Vijay Bhushan as Independent Director for another term of five years. Appointment of Mr. Vijay Maheshwari as Independent Director for a term of five years. Revision in Remuneration of Sanjay Aggarwal, CEO & Chairman of the Company. Revision in Remuneration of Sandeep Aggarwal, Managing Director of the Company.	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lac in one Financial year.	Redemption of 765,000 Non-convertible Redeemable Preference Shares of face value ₹100/- ("NCRPS") at a price of ₹121.25 per NCRPS (including a premium of ₹21.25/- per NCRPS) out of the fresh issue of 17,669,000 Equity Shares of the Company of face value ₹2/- each at a price of ₹ 5.25/- by way of preferential allotment to the holders of NCRPS Making contribution for bonafide and charitable purposes not exceeding ₹25 Lac in one Financial year.

**5. POSTAL BALLOT**

During the financial year ended 31<sup>st</sup> March, 2020, following resolutions were passed by way of postal ballot for seeking approval of members:

**Postal Ballot in December 2020**

Sr No.	Description of Resolution	Date of Declaration of Result
1.	Special Resolution for Issue of Equity warrants convertible into equal number of equity shares to Promoters and persons /entities belonging to Promoter Group on preferential basis.	December 30, 2019

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

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

- i) The Board of Directors of the Company vide resolution passed by the Board of Directors at their meeting held on 8th November, 2019, had appointed Mr. Abhishek Mittal, Proprietor of M/s Abhishek Mittal & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 8th November, 2019 together with the Explanatory Statement on 28th November, 2019, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 22nd November, 2019.
- iii) The voting under the postal ballot was kept open from 29th November, 2019 (from 9.00 a.m.) to 28th December, 2019 (upto 5.00 p.m.) (either physically or through electronic mode)
- iv) Particulars of postal ballot forms received from the Members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.

- v) The postal ballot forms were kept under safe custody of the scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the closure of working hours on 28th December, 2019 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) Envelopes containing postal ballot forms received after closure of working hours on 28th December, 2019 had not been considered for his scrutiny.
- viii) On 30th December, 2019, Mr. Sanjay Aggarwal, Chairman & CEO announced the following results of the postal ballot as per the Scrutinizer's Report:

#### Details of Agenda

- a) Issue of Equity warrants convertible into equal number of equity shares to Promoters and persons /entities belonging to Promoter Group on preferential basis.

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	99,80,244	98,26,554	98.46	1,53,690	1.54

## 6. OTHER DISCLOSURES

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY2020 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.	<a href="https://paramountcables.com/wp-content/uploads/2017/09/report-14_PCL_Policy-for-dealing-with-Related-Party-Transactions.pdf">https://paramountcables.com/wp-content/uploads/2017/09/report-14_PCL_Policy-for-dealing-with-Related-Party-Transactions.pdf</a>
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three financial years	Schedule V (C) 10(b) to the SEBI Listing Regulations	The Board Meeting for approval of un-audited Financial Results for the quarter and half year ended 30th 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 July 5, 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.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has whistle blower policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.	<a href="https://paramountcables.com/wp-content/uploads/2017/09/report-22_Whistle-Blower-Policy-Vigil-Mechanism-Policy.pdf">https://paramountcables.com/wp-content/uploads/2017/09/report-22_Whistle-Blower-Policy-Vigil-Mechanism-Policy.pdf</a>

Particulars	Regulations	Details	Website link for details/policy
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ol style="list-style-type: none"> <li>1) The auditors' report on financial statements of the Company are unqualified</li> <li>2) The Internal Auditor of the Company directly reports to the Audit Committee.</li> <li>3) Presently, Mr. Sanjay Aggarwal is the Chairman and also CEO of the Company.</li> <li>4) The quarterly and half yearly results are not being sent to the personal address of shareholders as the quarterly financial results of the Company are published in the Newspaper having wide circulation in India. The quarterly/ half-yearly/ annual financial results are also posted on the website of the Company <a href="http://www.paramountcables.com">www.paramountcables.com</a>.</li> </ol> <p>Also, financial results and shareholding pattern of the Company are available at <a href="http://www.bseindia.com">www.bseindia.com</a> &amp; <a href="http://www.nseindia.com">www.nseindia.com</a>.</p>	
Subsidiary companies	Regulation 24 of the SEBI Listing Regulations	<p>The Company does not have any Indian subsidiary company. However, the Company has the following direct wholly owned subsidiaries located outside India:</p> <ol style="list-style-type: none"> <li>1) *Paramount Holdings Limited, incorporated under the laws of Cyprus;</li> <li>2) **AEI Power Cables Limited, incorporated under the laws of England and Wales;</li> <li>3) 06196375 Cables Limited (formerly known as AEI Cables Limited), which was a subsidiary company, is "in Administration" (as per UK Laws) w.e.f 28th February, 2014.</li> </ol> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>1) *The management of Paramount Holdings Limited are taking steps to liquidate the Company in accordance with the applicable laws of the country.</li> <li>2) **AEI Power Cables Limited, United Kingdom has ceased to trade and became dormant w.e.f. 1st April, 2017. The management of the Company intends to keep the company in existence, for use in foreseeable future, as and when required.</li> </ol>	
Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted this policy.	<a href="https://paramountcables.com/wp-content/uploads/2020/05/Policy-on-Criteria-for-determining-Materiality-of-events.pdf">https://paramountcables.com/wp-content/uploads/2020/05/Policy-on-Criteria-for-determining-Materiality-of-events.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy	<a href="https://paramountcables.com/wp-content/uploads/2020/07/PRESERVATION-OF-DOCUMENTS-AND-ARCHIVAL-POLICY.pdf">https://paramountcables.com/wp-content/uploads/2020/07/PRESERVATION-OF-DOCUMENTS-AND-ARCHIVAL-POLICY.pdf</a>

Particulars	Regulations	Details	Website link for details/policy
Reconciliation of Share Capital Audit Report.	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002.	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.	
Code of Conduct	Regulation 17 of the SEBI Listing	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended 31 <sup>st</sup> March, 2020. The Annual Report of the Company contains a certificate by the Chairman & Chief Executive Officer on the compliance declarations received from the members of the Board and Senior Management ( <b>Annexure-A</b> ).	<a href="https://paramountcables.com/wp-content/uploads/2019/04/Code-of-conduct.pdf">https://paramountcables.com/wp-content/uploads/2019/04/Code-of-conduct.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website.	<a href="https://paramountcables.com/wp-content/uploads/2017/09/report-21_Terms-and-conditions-for-appointment-of-ID.pdf">https://paramountcables.com/wp-content/uploads/2017/09/report-21_Terms-and-conditions-for-appointment-of-ID.pdf</a>
Familiarisation Program	Regulations 25(7) and 46 of SEBI Listing Regulations	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.	<a href="https://paramountcables.com/wp-content/uploads/2019/09/Policy-on-Familiarization-Program-for-Independent-Directors.pdf">https://paramountcables.com/wp-content/uploads/2019/09/Policy-on-Familiarization-Program-for-Independent-Directors.pdf</a>
CEO/CFO Certification	Regulation 17 (8) and Part B of Schedule II of Listing Regulations	The Chairman & CEO and CFO of the Company have furnished the requisite certificate to the Board of Directors which is annexed hereto as <b>Annexure B</b> .	
Total fees Paid to Statutory Auditors		The Company has paid a Total fees of ₹ 18,32,004/- to statutory Auditors i.e. P. Bholusaria & Co., during the FY 2019-20	
Compliance with the code of Corporate Governance.		The Company regularly complies with the mandatory requirements of the code of Corporate Governance.	

Particulars	Regulations	Details	Website link for details/policy
Insider Trading Code	SEBI (Prohibition of Insider Trading) Regulations, 2015	The Company has formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.	<a href="https://paramountcables.com/wp-content/uploads/2019/07/Policy-on-Prevention-of-Insider-Trading.pdf">https://paramountcables.com/wp-content/uploads/2019/07/Policy-on-Prevention-of-Insider-Trading.pdf</a>
Disclosure of Compliance of Regulation 17 to 27 and clauses (B) to (I) of sub-regulation (2) of Regulation 46		The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause (b) to (i) of Sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	
Disclosure where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.	Para 10 of Part C of Schedule V of Listing Regulations	The Board accepted the recommendations of its Committees, wherever made, during the year	
Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:		The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	

## 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**, 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**

### 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 email address. Keeping in view the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Annual Report is sent via mail to the shareholders whose e-mail addresses are registered.

### Management Discussion and Analysis

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

### Designated e-mail-id

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

### Scores

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

## 8. GENERAL SHAREHOLDER INFORMATION

<b>CIN</b>	<b>L74899DL1994PLC061295</b>
<b>Registered Office</b>	<b>C-125, Naraina Industrial Area, Phase-1, New Delhi-110028.</b>
<b>Compliance officer</b>	<b>Ms. Rashi Goel, Compliance Officer and Company Secretary</b>
<b>Twenty Sixth Annual General Meeting</b>	Wednesday, the 30 <sup>th</sup> September, 2020 at 4.30 PM
<ul style="list-style-type: none"> <li>Day, Date &amp; Time:</li> <li>Venue</li> </ul>	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
<b>Financial Year</b>	1st April of each year to 31 <sup>st</sup> March of the next year
<b>Face Value per Equity share</b>	₹ 2/-
<b>Dividend Payment date</b>	<b>Not Applicable</b>
<b>Book Closure</b>	<b>Thursday, the 24<sup>th</sup> September, 2020 to Wednesday, the 30<sup>th</sup> September, 2020 (both days inclusive).</b>
<b>ISIN Number</b>	<ul style="list-style-type: none"> <li>Demat ISIN Number in NSDL and CDSL for Equity Shares is INE074B01023</li> </ul>

### ➤ Financial Calendar (Tentative)

Results for quarter ending 30 <sup>th</sup> June, 2020	End August, 2020
Results for quarter/ half-year ending 30 <sup>th</sup> September, 2020	Mid November, 2020
Results for quarter ending 31 <sup>st</sup> December, 2020	Mid February, 2021
Results for year ending 31 <sup>st</sup> March, 2021	End May, 2021
Annual General Meeting (i.e., next year)	By September, 2021

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

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

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

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

### ➤ Payment of Listing fee

The annual listing fee for the financial year 2020-21 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 2020-2021 has been duly paid by the Company to NSDL and CDSL.

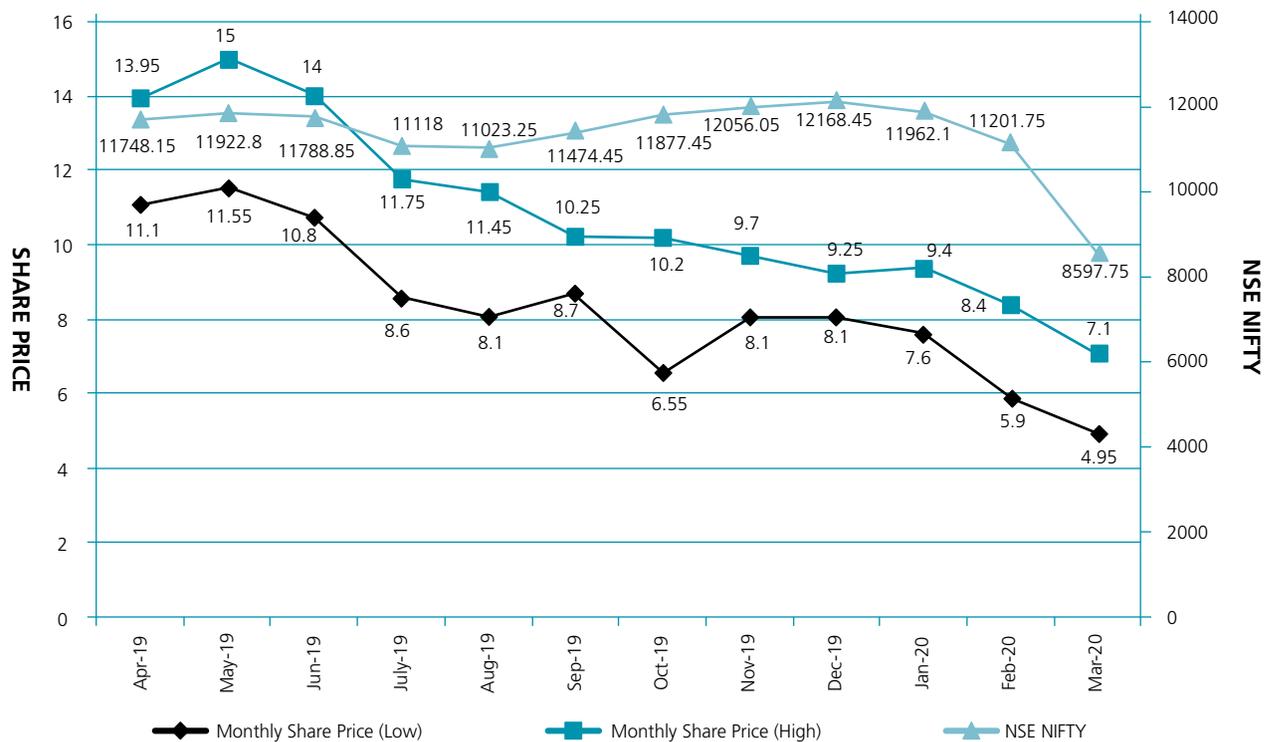
### ➤ Certificate from Company Secretary in Practice

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report (**Annexure-C**).

➤ **Stock Price Data:**

a) NSE Scrip Code: PARACABLES (For the period: April, 2019 to March, 2020)

Month	High Price (H)	Low Price (L)	NSE NIFTY (closing prices)
April 2019	13.95	11.1	11748.15
May 2019	15.00	11.55	11922.80
June 2019	14.00	10.80	11788.85
July 2019	11.75	8.60	11118.00
August 2019	11.45	8.10	11023.25
September 2019	10.25	8.70	11474.45
October 2019	10.20	6.55	11877.45
November 2019	9.70	8.10	12056.05
December 2019	9.25	8.10	12168.45
January 2020	9.40	7.60	11962.10
February 2020	8.40	5.90	11201.75
March 2020	7.10	4.95	8597.75

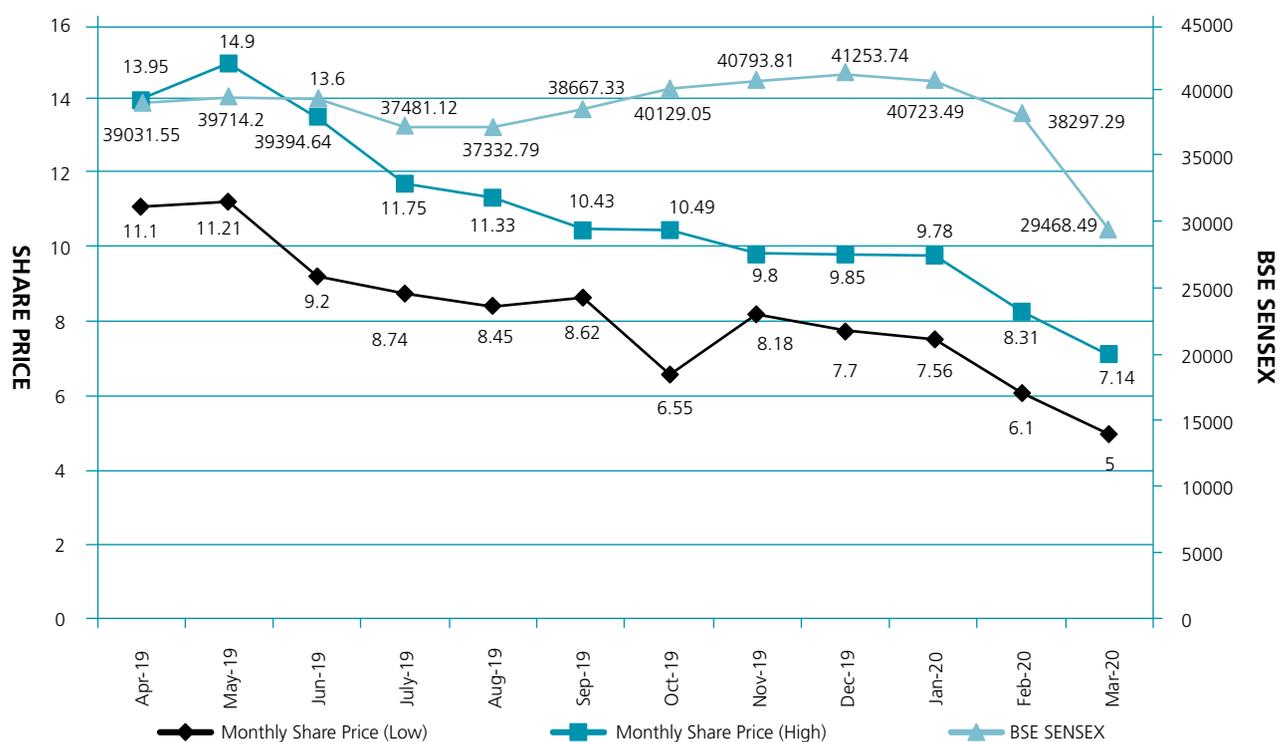


**BSE Scrip Code: 530555 (For the period: April, 2019 to March, 2020)**

Performance of equity shares in comparison with BSE SENSEX during the Financial Year 2019-2020

Value in ₹

Month	High Price (H)	Low Price (L)	BSE (Closing Prices)
April 2019	13.95	11.1	39031.55
May 2019	14.9	11.21	39714.2
June 2019	13.6	9.2	39394.64
July 2019	11.75	8.74	37481.12
August 2019	11.33	8.45	37332.79
September 2019	10.43	8.62	38667.33
October 2019	10.49	6.55	40129.05
November 2019	9.8	8.18	40793.81
December 2019	9.85	7.7	41253.74
January 2020	9.78	7.56	40723.49
February 2020	8.31	6.1	38297.29
March 2020	7.14	5	29468.49



## Shareholding as on March 31, 2020

### a) Distribution of equity shareholding as on March 31, 2020

Shareholding of shares	No. of Shareholders		No. of Shares held	Amount	
	Number	% to total		In ₹	% to total
Upto 500	17596	66.87	3335111	66,70,222	1.81
501 - 1,000	3958	15.04	3292739	65,85,478	1.79
1,001 - 2,000	2036	7.74	3222968	64,45,936	1.75
2,001 - 3,000	767	2.91	1974627	39,49,254	1.07
3,001 - 4,000	357	1.36	1295388	25,90,776	0.70
4,001 - 5,000	408	1.55	1961446	39,22,892	1.07
5,001 - 10,000	497	1.89	3875012	77,50,024	2.10
10,001 & Above	696	2.64	165176674	33,03,53,348	89.71
<b>Total</b>	<b>26315</b>	<b>100.00</b>	<b>184133965</b>	<b>36,82,67,930</b>	<b>100.00</b>

### b) Categories of equity shareholding as on March 31, 2020

Category	Number of Equity shares held	Percentage of holding
Promoters	110631944	60.08
Bodies Corporate	8245866	4.48
NRI/OCBs/Clearing Members/Trust	7281137	3.96
Mutual Funds/Alternate Investments Funds/Banks/Financial Institutions/FIs/ Foreign Portfolio Investors	2931119	1.59
Non-institutions/Indian Public/HUF	55043899	29.89
<b>Grand Total</b>	<b>184133965</b>	<b>100</b>

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

To meet the Company's Capital expenditure for expansion and modernization of Business activities, Working Capital requirement and R & D expenditure, the Promoters and other persons/entities forming part of the Promoter group have infused funds amounting to ₹ 14.59 Crore in the financial year 2019-2020, by way of issue of 2,24,00,000 share warrants and partial conversion thereof on preferential basis.

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

#### ➤ Registrars and Transfer Agent

Name and Address: M/s Link Intime India Private Limited Noble Heights, 1st Floor, Plot No NH-2, LSC, C-1 Block, Near Savitri Market, New Delhi-110058

Telephone: +91-11-4141 0592, 93, 94

Fax: 011 - 4141 0591

E-mail: delhi@linkintime.co.in

Website: www.linkintime.co.in

#### ➤ Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

➤ **Dematerialization of Shares and liquidity**

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 92.68 percent of the Company's equity share capital are dematerialized as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE074B01023.

12350000 warrants got converted into equal number of equity shares constituting 6.71% of total issued capital. On 04.03.2020, equity shares consequent to conversion of warrants were allotted to allottees. The Listing approval with BSE was filed on 20.03.2020 and with NSE was filed on 23.03.2020. However, due to nationwide lockdown the listing approval of equity shares allotted remained pending for approval from stock exchanges. Further the above allotted equity shares pursuant to conversion are neither in physical form nor in demat form as on 31.03.2020.

However, the Demat credit of Equity shares consequent to conversion of warrants was completed on July 02, 2020.

➤ **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

During the period under review, the Company has issued 22,400,000 share warrants convertible into equal number of equity shares. As on March 31, 2020, the Company has 10,050,000 outstanding share warrants.

➤ **Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

➤ **Plant Locations (as on 31<sup>st</sup> March, 2020)**

**Address**

SP-30A, SP-30B and E-31, Khushkhera Industrial Area, District Alwar, Rajasthan, India

Plot No. 37 Industrial Estate, Dharuhera, District Rewari, Haryana, India

➤ **Nodal Officer:**

Ms. Rashi Goel, Company Secretary & Compliance Officer of the Company has been appointed as Nodal officer of the Company pursuant to the IEPF rules.

➤ **Address for correspondence:**

Paramount Communications Limited

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

Telephone: 91-11-45618800

Designated e-mail address for Investor Services: [investors@paramountcables.com](mailto:investors@paramountcables.com)

Website: [www.paramountcables.com](http://www.paramountcables.com)

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For this declaration, Senior Management Team means the Chief Financial Officer, Head - HR, Vice President – Finance & Accounts and the Company Secretary as on March 31, 2020.

Place: New Delhi  
Date: 28.08.2020

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

## 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 31st March, 2020 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).

Place: New Delhi  
Date: 14.07.2020

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

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

## Independent Auditors' Report on compliance with the conditions of Corporate Governance

[As per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

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

1. The Corporate Governance Report prepared by Paramount Communications Limited (hereinafter 'the Company'), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('Applicable criteria') for the year ended 31 March 2020 as required by the Company for annual submission to the Stock Exchange.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether; the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31 March 2020, referred to in paragraph 4 above.

**Other Matters and Restrictions on use**

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

**(PAWAN BHOLUSARIA)**

Partner

M.No. 080691

UDIN: 20080691AAAABS9336

Place: New Delhi  
Dated: 28.08.2020

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
 The Members of  
**Paramount Communications Limited**  
 C-125 Naraina Industrial Area,  
 Phase-1 New Delhi- 110028

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Paramount Communications Limited having CIN: L74899DL1994PLC061295 and having registered office at C-125 Naraina Industrial Area, Phase-1 New Delhi- 110028 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sanjay Aggarwal	00001788	01-11-1994
2	Mr. Vijay Bhushan	00002421	22-07-2000
3	Mr. Sandeep Aggarwal	00002646	01-11-1994
4	Mr. Vijay Maheshwari	00216687	01-04-2019
5	Ms. Malini Gupta	03464410	30-01-2015

### Disclaimer:

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Nitin Gupta**  
 Company Secretary in whole time practice  
 UDIN: A035299B000627671  
 Membership No.: A35299  
 C. P. No.: 14087

Place: New Delhi  
 Date: 28.08.2020

# Independent Auditors' Report

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

## Report on the Standalone financial statements Opinion

We have audited the accompanying standalone financial statement of **Paramount Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis of Opinion

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

## Key Audit Matters

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

Description of Key Audit Matter	How our audit addressed the key audit matter
Provision of Doubtful Debts	<ol style="list-style-type: none"> <li>1. We Obtain a detailed age analysis of the year end of debtors and test the analysis for a selection of the balances;</li> <li>2. Obtain an analysis of the provision for doubtful debts;</li> <li>3. Scrutinize the analysis and identify those debts which appear doubtful;</li> <li>4. Discuss with management their reasons, if any of these debts are not included in the provision for bad debts;</li> <li>5. Perform further testing where any disputes exists;</li> <li>6. Reach a final conclusion regarding the adequacy of the bad debts provision</li> </ol>
Accuracy of Recognition, Measurement, Presentation and Disclosure of Revenue	We assessed the company's process to identify the impact of the new revenue accounting standard.
Impairment of Assets	We perform the analytical procedure to assess the impairment loss and review the market value for impairment loss as per IND AS 36.

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

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

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

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

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

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

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

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

### **Auditors' Responsibility**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2020 on its financial position in its standalone financial statements – Refer Note No 44.
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2020.
  - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2020.
- (h) The managerial remuneration for the year ended 31<sup>st</sup> March 2020 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

**Pawan Bholusaria**  
Partner

Place: New Delhi  
Date: 14<sup>th</sup> July 2020

M.No. 080691  
UDIN: 20080691AAAABE8310

## Annexure 'A' to Independent Auditors' Report

(Annexure referred to in our report of even date to the members of **Paramount Communications Limited** on the accounts for the year ended 31<sup>st</sup> March 2020)

- 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 Property Plant & Equipment 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 ₹ 6,04,17,500/-, 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.

In respect of immovable property being Leasehold Land, as shown in Note 7 – Right of Use Assets, the lease deed is in the name of the Company.

- 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 given and investments made, to the extent applicable to the company. The company has not given any guarantees or provided any security in connection with the loan taken by others.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues applicable to it with the appropriate authorities. However, there have been some delays in few cases.

b) There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Investor education and protection fund, customs duty, cess, goods and service tax and other material statutory dues in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us and according the records of the Company examined by us, the particular of statutory dues which have not been deposited as at 31<sup>st</sup> March 2020 on account of pending disputes are as follows:

Name of the Statute	Name of the Due	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Customs Act	Customs Duty	13,12,721	F.Y. 2005-06 & 2006-07	CESTAT
Income Tax Act	Income Tax	64,78,182	A.Y. 2017-18	CIT(A)

viii. In our opinion, on the basis of books and records examine by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans/ borrowings from Banks, Financial Institutions, Assets Reconstruction company and Non-Banking Finance

Company during the year. The company does not have any borrowings from debenture holders or Government.

- ix. The Company has not raised moneys by way of initial public offer (including debt instruments) or term loans. However, the Company has made preferential allotment of equity shares, and the same were utilized for the purpose for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and

188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting Standard.

- xiv. The Company has made preferential allotment of fully paid up Equity Shares and Convertible Equity Warrants 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

Place: New Delhi  
Date: 14<sup>th</sup> July 2020

M.No. 080691  
UDIN: 20080691AAAABE8310

## Annexure 'B' to Independent Auditors' Report

Annexure referred to in our report of even date to the members of **Paramount Communications Limited** on the accounts for the year ended 31<sup>st</sup> March 2020

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

We have audited the internal financial controls over financial reporting of **Paramount Communications Limited** ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Place: New Delhi  
Date: 14<sup>th</sup> July 2020

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

**Pawan Bholusaria**  
Partner  
M.No. 080691  
UDIN: 20080691AAAABE8310

# Standalone Balance Sheet

as at 31<sup>st</sup> March 2020

CIN : L74899DL1994PLC061295

Particulars	Note No.	(Amount in ₹)	
		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	5	1,022,866,193	1,317,512,801
(b) Right of use assets	6	418,984,084	-
(c) Intangible assets	7	8,943,947	6,096,578
(d) Financial Assets			
(i) Investments	8	3	3
(ii) Loans	9	343,125	252,042
(iii) Others	10	139,699,414	156,387,612
(e) Other non-current assets	11	4,637,849	7,374,778
		<b>1,595,474,615</b>	<b>1,487,623,814</b>
<b>2 Current assets</b>			
(a) Inventories	12	1,089,266,548	777,790,400
(b) Financial Assets			
(i) Trade Receivables	13	2,072,176,439	2,134,384,391
(ii) Cash and cash equivalents	14	15,252,769	19,364,771
(iii) Bank Balances other than (ii) above	15	141,612,624	101,054,977
(iv) Loans	16	7,591,071	4,142,636
(v) Other Current Financial Assets	17	44,504,695	35,424,941
(c) Income Tax Assets(Net)	18	21,804,108	11,733,375
(d) Other current assets	19	134,945,216	118,134,524
		<b>3,527,153,470</b>	<b>3,202,030,015</b>
<b>Total Assets</b>		<b>5,122,628,085</b>	<b>4,689,653,829</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	20	368,267,930	343,567,930
(b) Other Equity	21	1,453,173,178	1,070,621,446
		<b>1,821,441,108</b>	<b>1,414,189,376</b>
<b>2 Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	1,852,558,369	1,959,739,026
(ii) Lease Liabilities	23	134,534,178	-
(b) Provisions	24	24,877,869	25,383,348
		<b>2,011,970,416</b>	<b>1,985,122,374</b>
<b>(ii) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	25	-	12,250,000
(ii) Trade payables	26		
Total outstanding dues of Micro and Small Enterprises		10,233,318	26,612,148
Total outstanding dues of creditors other than Micro and Small Enterprises		1,082,028,907	1,006,399,423
(iii) Lease Liabilities	27	13,873,015	-
(iv) Other Current Financial Liabilities	28	141,217,980	166,411,119
(b) Other current liabilities	29	37,645,803	72,970,993
(c) Provisions	30	4,217,538	5,698,396
		<b>1,289,216,561</b>	<b>1,290,342,079</b>
<b>TOTAL Equity and Liabilities</b>		<b>5,122,628,085</b>	<b>4,689,653,829</b>

Notes forming part of the Standalone Financial Statements

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)  
UDIN: 20080691AAAABE8310  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

## For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2020

CIN : L74899DL1994PLC061295

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Revenue :</b>			
I. Revenue from operations	31	<b>6,062,029,908</b>	6,144,633,022
II. Other income	32	<b>26,890,831</b>	33,075,792
III. <b>Total Income (I + II)</b>		<b>6,088,920,739</b>	<b>6,177,708,814</b>
<b>IV. Expenses:</b>			
Cost of material consumed	33	<b>4,909,261,024</b>	5,019,576,657
Change in Inventories of finished goods, work-in-progress and scrap	34	<b>(389,567,590)</b>	(316,963,609)
Employee benefits expenses	35	<b>211,749,663</b>	171,415,657
Finance costs	36	<b>105,237,737</b>	79,761,633
Depreciation and amortization Expenses	37	<b>110,463,408</b>	86,393,135
Other Expenses	38	<b>878,309,684</b>	845,928,915
<b>Total Expenses (IV)</b>		<b>5,825,453,926</b>	<b>5,886,112,388</b>
V. <b>Profit Before exceptional items and Tax (III - IV)</b>		<b>263,466,813</b>	<b>291,596,426</b>
VI. Exceptional items		-	-
VII. Profit before tax (V - VI)		<b>263,466,813</b>	291,596,426
VIII. Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Total Tax Expense (VIII)</b>		-	-
IX. <b>Profit for the year (VII - VIII)</b>		<b>263,466,813</b>	<b>291,596,426</b>
X. <b>Comprehensive Income</b>			
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to the profit &amp; loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		<b>(2,091,581)</b>	86,207
Income tax effect on above		-	-
		<b>(2,091,581)</b>	<b>86,207</b>
XI. <b>Total Comprehensive Income for the year (IX + X) (Comprehensive profit and other comprehensive income for the year)</b>		<b>261,375,232</b>	<b>291,682,633</b>
XII. <b>Earnings Per Equity Share:</b>	<b>48</b>		
(1) Basic		<b>1.53</b>	1.74
(2) Diluted		<b>1.52</b>	1.74

Notes forming part of the Standalone Financial Statements

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)  
UDIN: 20080691AAAAABE8310  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

## For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Standalone Statement of Cash Flow

for the year ended 31<sup>st</sup> March 2020

CIN : L74899DL1994PLC061295

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>(A) Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation</b>	<b>263,466,813</b>	<b>291,596,426</b>
Adjustment for :		
Depreciation and amortization expenses	110,463,408	86,393,135
Interest Expenses	88,315,331	76,814,979
Interest on lease liability	13,983,425	-
Reversal of rent lease liability	(26,666,664)	-
Profit on sales of Mutual Funds	(145,497)	(849,403)
Loss / (Profit) on sale of assets(net)	31,415	40,099
Interest Income	(22,124,565)	(26,333,536)
Interest Income on fair valuation of Security Deposit	-	(1,751,386)
Bad debts written off	4,066,282	150,090,174
Provision for Doubtful debts/ Written back	(2,348,035)	(149,321,536)
	<b>165,575,100</b>	<b>135,082,526</b>
<b>Operating Profit before working capital changes</b>	<b>429,041,913</b>	<b>426,678,952</b>
<b>Adjustment for :</b>		
Decrease / (Increase) in Trade Receivables	60,489,705	(249,091,251)
Decrease / (Increase) in Loans & Advances	(3,539,519)	(1,026,262)
Decrease / (Increase) in Inventories	(311,476,147)	(499,863,331)
Decrease / (Increase) in Other financial and non financial Assets	(47,022,967)	(18,125,202)
(Decrease) / Increase in Trade Payables	59,250,654	119,082,833
(Decrease) / Increase in Other Liabilities & Provisions	(45,356,852)	53,330,575
	<b>(287,655,126)</b>	<b>(595,692,638)</b>
<b>Cash generated from operation</b>	<b>141,386,787</b>	<b>(169,013,686)</b>
<b>Exceptional items</b>		
Income Tax Paid	(10,070,733)	(10,070,733)
		(6,625,962)
<b>Net Cash from Operating Activities</b>	<b>131,316,054</b>	<b>(175,639,648)</b>
<b>(B) Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets including Capital WIP	(76,984,549)	(107,663,354)
Sale of Fixed Assets	395,313	918,655
Interest Received	22,124,565	26,333,536
Sale of Investments (Mutual Fund)	45,145,497	18,849,403
Purchase of Investments (Mutual Fund)	(45,000,000)	(18,000,000)
	<b>(54,319,174)</b>	<b>(79,561,760)</b>
<b>Net Cash from Investing Activities</b>	<b>(54,319,174)</b>	<b>(79,561,760)</b>

# Standalone Statement of Cash Flow (Contd...)

for the year ended 31<sup>st</sup> March 2020

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>(C) Cash Flows from Financing Activities</b>		
Interest paid	(88,315,331)	(76,814,979)
Increase/(Decrease) in Borrowings from banks / ARC /NBFC	(126,420,051)	144,655,691
Loan From Directors	(12,250,000)	(79,214,990)
Issue of Equity Share Capital with premium and Equity share warrant	145,876,500	259,420,000
	<b>(81,108,882)</b>	<b>248,045,722</b>
<b>Net Cash from Financing Activities</b>	<b>(81,108,882)</b>	<b>248,045,722</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(4,112,002)</b>	<b>(7,155,686)</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>19,364,771</b>	<b>26,520,457</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>15,252,769</b>	<b>19,364,771</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,112,002)</b>	<b>(7,155,686)</b>

(Amount in ₹)

Reconciliation of Borrowings	Borrowings (Current & Non-Current)	Borrowings (Current & Non-Current)
	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Opening balance	2,095,155,692	2,029,714,990
Proceeds	-	200,000,000
Repayments	138,670,051	134,559,298
<b>Closing balance</b>	<b>1,956,485,641</b>	<b>2,095,155,692</b>

**Note:**

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Statement of Cash Flows)
- Figures in brackets represent outflow of cash.

Notes forming part of the Standalone Financial Statements 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)  
UDIN: 20080691AAAABE8310  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

**For and on behalf of the Board**

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Standalone Statement of Changes In Equity

for the year ended 31<sup>st</sup> March 2020

## A. Equity share capital

Particulars	Balance as at 1 <sup>st</sup> April 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 <sup>st</sup> March 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 <sup>st</sup> March 2020
No of Shares	142,902,465	28,881,500	171,783,965	12,350,000	184,133,965
Amount in (₹)	285,804,930	57,763,000	343,567,930	28,881,500	372,449,430

## B. Other Equity

Particulars	Equity component of convertible instruments	Reserve and Surplus			items of Other comprehensive Income	Total
		Capital Reserve	Securities Premium	General Reserve		
<b>Balance as at 1<sup>st</sup> April 2018</b>	<b>737,420,062</b>	<b>3,031,100</b>	<b>730,943,397</b>	<b>25,403,272</b>	<b>(916,046,017)</b>	<b>577,281,814</b>
Total Comprehensive Income for the year 2018-19			201,656,999		291,596,426	291,596,426
Addition during the year						201,656,999
Re-measurement of net defined benefit Plans					86,207	86,207
Transfer to Equity and share premium	(737,420,062)	737,420,062				-
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>3,031,100</b>	<b>1,670,020,458</b>	<b>25,403,272</b>	<b>(3,383,793)</b>	<b>1,070,621,446</b>
Total Comprehensive Income for the year 2019-20			145,876,500	263,466,813		263,466,813
Addition during the year			96,453,500			242,330,000
Re-measurement of net defined benefit Plans					(2,091,581)	(2,091,581)
Transfer to Equity and share premium	(121,153,500)					(121,153,500)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>24,723,000</b>	<b>3,031,100</b>	<b>1,766,473,958</b>	<b>25,403,272</b>	<b>(5,475,374)</b>	<b>1,453,173,178</b>

Notes forming part of the Standalone Financial Statements 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)  
UDIN: 20080691AAAAABE8310  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

### For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Significant Accounting Policies and Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 1. Corporate and General Information

Paramount Communications Limited (“PCL”) or (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The registered office of the company is situated at C-125 Naraina industrial Area Phase-1, New Delhi – 110028. The Company is engaged in manufacturing business of Wires and Cables. The manufacturing facilities of the company are situated at Khushkhera, Rajasthan and Dharuhera, Haryana.

The Equity shares of the company are listed at National Stock Exchange and Bombay stock Exchange.

## 2. Statement of Compliance & Basis of preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rule 2015

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,

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

### 3.2 Property, Plant and Equipment

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

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

# Significant Accounting Policies and Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

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

- 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 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.

# Significant Accounting Policies and Notes to the Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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.

### 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 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

# Significant Accounting Policies and Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

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. 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.

### 3.12 Revenue recognition and Other income

#### Sale of Goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. 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, volume rebates and amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods as per IND AS 115.

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Revenue is inclusive of Material returned/ rejected is accounted for in the year of return/ rejection.

# Significant Accounting Policies and Notes to the Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

### 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1<sup>st</sup> April 2020

### 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 Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that

# Significant Accounting Policies and Notes to the Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

### 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.

### 3.18 COVID Policy

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current Indicators of economic conditions, there is no significant impact on financial results for this year. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

## 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, 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.

# Significant Accounting Policies and Notes to the Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

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

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

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

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

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The input to these models are taken from observable markets where possible, but where this is not feasible,

a degree of judgement is required in establishing fair value. Judgements include consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(f) Defined Benefit Plan**

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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 5. Property, Plant and equipment

	Freehold Land	Lease hold Land	Buildings	Lease hold Building improvement	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Total
(Amount in ₹)									
<b>Gross Block</b>									
<b>As at 1<sup>st</sup> April 2018</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,071,718</b>	<b>5,234,030</b>	<b>708,362,062</b>	<b>17,466,601</b>	<b>4,444,191</b>	<b>6,464,906</b>	<b>1,481,465,638</b>
Additions	-	-	-	-	104,607,453	236,970	108,429	2,181,502	107,134,354
Disposals/Adjustments	-	-	-	-	(787,814)	-	(302,577)	-	(1,090,391)
<b>As at 31<sup>st</sup> March 2019</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,071,718</b>	<b>5,234,030</b>	<b>812,181,701</b>	<b>17,703,571</b>	<b>4,250,043</b>	<b>8,646,408</b>	<b>1,587,509,601</b>
Additions	-	-	-	-	66,773,249	559,881	1,043,918	3,054,501	71,431,549
Disposals/Adjustments	-	-	-	-	(252,750)	-	(504,821)	-	(757,571)
Transfer to Right of Use Assets *	-	290,187,000	-	-	-	-	-	-	290,187,000
<b>As at 31<sup>st</sup> March 2020</b>	<b>230,235,130</b>	<b>-</b>	<b>219,071,718</b>	<b>5,234,030</b>	<b>878,702,200</b>	<b>18,263,452</b>	<b>4,789,140</b>	<b>11,700,909</b>	<b>1,367,996,579</b>
<b>Accumulated Depreciation</b>									
<b>As at 1<sup>st</sup> April 2018</b>	<b>-</b>	<b>6,936,755</b>	<b>17,125,465</b>	<b>3,093,952</b>	<b>144,440,641</b>	<b>9,958,649</b>	<b>1,944,956</b>	<b>2,369,591</b>	<b>185,870,010</b>
Depreciation charge for the year	3,468,378	-	8,631,730	1,491,782	67,082,203	1,762,764	409,729	1,411,840	84,258,426
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(131,636)	-	-	-	(131,636)
<b>As at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>10,405,133</b>	<b>25,757,195</b>	<b>4,585,734</b>	<b>211,391,208</b>	<b>11,721,413</b>	<b>2,354,685</b>	<b>3,781,431</b>	<b>269,996,800</b>
Depreciation charge for the year	-	-	8,655,379	50,723	71,647,760	3,224,658	449,715	1,841,327	85,869,562
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(15,684)	-	(315,159)	-	(330,843)
Transfer to Right of Use Assets *	-	10,405,133	-	-	-	-	-	-	10,405,133
<b>As at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>-</b>	<b>34,412,574</b>	<b>4,636,457</b>	<b>283,023,284</b>	<b>14,946,071</b>	<b>2,489,241</b>	<b>5,622,758</b>	<b>345,130,386</b>
<b>Net Carrying Amount</b>									
<b>As at 31<sup>st</sup> March 2019</b>	<b>230,235,130</b>	<b>279,781,867</b>	<b>193,314,523</b>	<b>648,295</b>	<b>600,790,493</b>	<b>5,982,157</b>	<b>1,895,358</b>	<b>4,864,977</b>	<b>1,317,512,801</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>230,235,130</b>	<b>-</b>	<b>184,659,144</b>	<b>597,572</b>	<b>595,678,916</b>	<b>3,317,380</b>	<b>2,299,899</b>	<b>6,078,151</b>	<b>1,022,866,193</b>

Note:-

- 1) Property, plant and equipment is hypothecated for long term borrowings from Assets Reconstruction Company and NBFC. (Refer note no. 22)
- 2) Title deeds of factory land measuring 3,108.72 sq. mtr.at Prahlappur, Bawana Road, Delhi of ₹ 60,417,500 are yet to be registered/transferred in the name of company.
- 3) \* Lease hold land has been transferred to Right of Use Assets as per IND AS 116 .

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 6. Right to use assets

(Amount in ₹)

Particulars	Lease hold Land	Right of use assets (Lease Hold Building)	Total
<b>Gross Block</b>			
<b>As at 1<sup>st</sup> April 2018</b>	-	-	-
Additions	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31<sup>st</sup> March 2019</b>	-	-	-
Additions	-	161,090,432	161,090,432
Disposals/Adjustments	-	-	-
Transfer from Property Plant & Equipment due to adoption of IND AS 116	279,781,867	-	279,781,867
<b>As at 31<sup>st</sup> March 2020</b>	<b>279,781,867</b>	<b>161,090,432</b>	<b>440,872,299</b>
<b>Accumulated Depreciation</b>			
<b>As at 1<sup>st</sup> April 2018</b>	-	-	-
Depreciation charge for the year	-	-	-
Impairment	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31<sup>st</sup> March 2019</b>	-	-	-
Depreciation charge for the year	3,477,880	18,410,335	21,888,215
Impairment	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>3,477,880</b>	<b>18,410,335</b>	<b>21,888,215</b>
<b>Net Carrying Amount</b>			
<b>As at 31<sup>st</sup> March 2019</b>	-	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>276,303,987</b>	<b>142,680,097</b>	<b>418,984,084</b>

Note:-

- 1) Lease hold land is hypothecated for long term borrowings from Assets Reconstruction Company and NBFC .(Refer note no. 22)
- 2) Effective from 1<sup>st</sup> April 2019, the company has adopted IND AS 116 "Leases " using the modified retrospective approach, Accordingly , previous year figures are not applicable.
- 3) Refer note no 50 of Notes to Financial Statements.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 7. Intangible Assets

(Amount in ₹)

Particulars	Other Intangibles (Software)	Total
<b>Gross Block</b>		
As at 1 <sup>st</sup> April 2018	10,967,129	10,967,129
Addition during the year	529,000	529,000
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>11,496,129</b>	<b>11,496,129</b>
Addition during the year	5,553,000	5,553,000
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>17,049,129</b>	<b>17,049,129</b>
<b>Accumulated Amortization</b>		
As at 1 <sup>st</sup> April 2018	3,264,842	3,264,842
Charge for the year	2,134,709	2,134,709
Impairment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>5,399,551</b>	<b>5,399,551</b>
Charge for the year	2,705,631	2,705,631
Impairment	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>8,105,182</b>	<b>8,105,182</b>
<b>Net Carrying Amount</b>		
As at 31 <sup>st</sup> March 2019	6,096,578	6,096,578
<b>As at 31<sup>st</sup> March 2020</b>	<b>8,943,947</b>	<b>8,943,947</b>

## 8. Non Current Investments

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020			As at 31 <sup>st</sup> March 2019		
	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
<b>Long Term-Non Trade (unquoted)</b>						
<b>In Subsidiaries</b>						
Paramount Holding Limited, Cyprus	3,675	€1.71 each	1	3,675	€1.71 each	1
AEI Power Cables Limited, United Kingdom	1,000	£1 each	1	1,000	£1 each	1
06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom. In administration liquidation	20,000	£1 each	1	20,000	£1 each	1
<b>Total</b>			<b>3</b>			<b>3</b>
<b>Aggregate amount of unquoted investment (Market value)</b>			<b>3</b>			<b>3</b>
<b>Grand Total</b>			<b>3</b>			<b>3</b>
<b>Aggregate value of quoted investments</b>			-			-
<b>Aggregate Market value of quoted investments</b>			-			-
<b>Aggregate value of unquoted investments</b>			<b>255,469,934</b>			<b>255,469,934</b>
<b>Aggregate amount of impairment in value of investments</b>			<b>255,469,931</b>			<b>255,469,931</b>

# Notes to Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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.

### 9. Non Current Loans

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Staff Loans</b>		
Secured, considered good	-	-
Unsecured, considered good	343,125	252,042
Loan Receivables which have significant increase in credit Risk	-	-
Loan Receivables- credit impaired	-	-
<b>Total</b>	<b>343,125</b>	<b>252,042</b>

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

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Security Deposits		
to related party	-	-
to others	15,696,024	13,751,625
Bank Deposits (with remaining maturity of more than 12 months)*	117,460,096	136,003,014
Interest Accrued but not due on fixed deposits	6,543,294	6,632,973
Advance to Related Parties - (Net of Provision)**	-	-
	<b>139,699,414</b>	<b>156,387,612</b>

\*Under lien/custody with banks.

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

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Advance to Related Parties -Paramount Holdings Limited (Subsidiary Company)	7,356,888	7,356,888
Less : Provision for Advance Recoverable from Subsidiary Company	7,356,888	7,356,888
	-	-

### 11. Other Non-Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Capital Advances (Unsecured, considered good)	4,637,849	7,374,778
<b>Total</b>	<b>4,637,849</b>	<b>7,374,778</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 12. Inventories

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Raw Material *	237,424,123	317,866,843
Work- in -progress	265,881,620	161,205,544
Finished goods	557,948,874	270,132,731
Stores and Spares *	17,376,750	15,796,468
Packing materials *	6,581,574	5,810,578
Scrap	4,053,607	6,978,236
<b>Total inventories</b>	<b>1,089,266,548</b>	<b>777,790,400</b>

\*The above includes Goods in Transit in respect of raw material amounting to ₹ 29,794,382/-, packing material ₹ 196,180/- & stores and spares ₹ 722,897/- as at 31<sup>st</sup> March 2020, previous year goods in transit ₹ Nil.

Inventories have been offered as security against the borrowings (Refer Note No 22)

## 13. Trade Receivables

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Secured, considered good	-	-
Unsecured, considered good	2,072,176,439	2,134,384,391
Trade Receivables which have significant increase in credit Risk	55,061,406	57,409,442
Trade Receivables- credit impaired	(55,061,406)	(57,409,442)
<b>Total Trade Receivables</b>	<b>2,072,176,439</b>	<b>2,134,384,391</b>

## 14. Cash and Cash equivalents

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Balances with banks		
On current accounts	12,510,564	16,077,266
Cash on hand	2,742,205	3,287,505
	<b>15,252,769</b>	<b>19,364,771</b>

## 15. Other Bank Balances

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	141,612,624	101,054,977
	<b>141,612,624</b>	<b>101,054,977</b>

\*Under lien/custody with banks.

## 16. Current Loans Others Loans

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Secured, considered good	-	-
Unsecured, considered good		
- Employees Loans & advances	7,591,071	4,142,636
Loan Receivables which have significant increase in credit Risk	-	-
Loan Receivables- credit impaired	-	-
	<b>7,591,071</b>	<b>4,142,636</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 17. Other Current Financial Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Earnest Money Deposits	11,407,158	6,124,386
Security Deposits		
to related party *	18,000,000	18,000,000
to others	837,284	846,024
Interest Accrued but not due on fixed deposits	14,260,253	10,454,531
	<b>44,504,695</b>	<b>35,424,941</b>

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

## 18. Income Tax Assets (Net)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
TDS & Income Tax Paid	21,804,108	11,733,375
	<b>21,804,108</b>	<b>11,733,375</b>

## 19. Other Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Advances to contractors and suppliers		
to related party	6,078,440	-
to others	41,570,468	33,607,980
Balance with GST Authorities	62,334,714	33,556,350
Amount Recoverable from Government*	9,832,055	35,086,080
Prepaid Expenses	15,129,539	15,884,114
<b>Total</b>	<b>134,945,216</b>	<b>118,134,524</b>

\*represents sales tax, duty draw back and incentive schemes etc.

## 20. Equity Share capital

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Authorized share capital</b>		
250,000,000 (March 31, 2019- 250,000,000) Equity Shares of ₹ 2/-each	500,000,000	500,000,000
1,000,000 (March 31, 2019- 1,000,000) Redeemable Preference Shares of ₹ 100/-each	100,000,000	100,000,000
	<b>600,000,000</b>	<b>600,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b>		
184,133,965 (March 2019 -171,783,965) Equity Shares of ₹ 2/-each fully paid up	368,267,930	343,567,930

### Reconciliation of the number of equity shares and share capital

	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	No of shares	(Amount in ₹)	No of shares	(Amount in ₹)
Shares outstanding as at the beginning of the year	171,783,965	343,567,930	142,902,465	285,804,930
Add: Shares issued during the year	12,350,000	24,700,000	28,881,500	57,763,000
<b>Shares outstanding as at the end of the year</b>	<b>184,133,965</b>	<b>368,267,930</b>	<b>171,783,965</b>	<b>343,567,930</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

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

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

Name of the shareholders	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding
M/s Paramount Telecables Limited	<b>38,743,500</b>	<b>21.04</b>	31,243,500	18.19
M/s April Investment and Finance Pvt. Ltd.	<b>13,040,172</b>	<b>7.08</b>	13,040,172	7.59
Mrs. Shashi Aggarwal	<b>9,762,800</b>	<b>5.30</b>	9,762,800	5.68
Mr. Sanjay Aggarwal	<b>9,761,013</b>	<b>5.30</b>	9,342,100	5.44
Mr. Sandeep Aggarwal	<b>9,700,733</b>	<b>5.27</b>	9,248,300	5.38

## Terms /Right of Equity shares

Company has only one class of issued equity shares having a par value of ₹ 2/ per equity share . Each equity share holder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the share holders in the ensuing Annual General meeting except in case of interim dividend. In the event of liquidation , the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

## Equity Share Warrants (Pending Allotment)

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
25% Upfront Payment	<b>24,723,000</b>	-
<b>Total</b>	<b>24,723,000</b>	-

Equity Share Warrants	No of Warrants	No of Warrants
<b>Opening Balance</b>	-	-
Add Issued during the Year	22,400,000	-
Less : Convertered into Equity Shares	(12,350,000)	-
	<b>10,050,000</b>	-

Money received against Share Warrants represents amounts received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 2 each.

During the current year , the Company has issued to its Promoter/Promoter Group Entities 22,400,000 Warrants at a price of ₹ 9.81 each entitling them for subscription of equivalent number of Equity Shares of ₹ 2 each (including premium of ₹ 7.81 each share) in accordance with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018. Against these warrants, the Company has issued and allotted 12,350,000 equity shares of ₹ 2 each at a premium of ₹ 7.81 each to promoter group entities on preferential basis upon conversion of equivalent number of warrants. For balance 10,050,000 warrants against which 25 % upfront payment received , will be converted within the specified time limit as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 21. Other Equity

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>(A) Retained Earnings</b>		
Opening Balance	(624,449,591)	(916,046,017)
Add: Net profit for the year	263,466,813	291,596,426
<b>Total of A</b>	<b>(360,982,778)</b>	<b>(624,449,591)</b>
<b>(B) Other Reserves</b>		
<b>Items of others comprehensive income</b>		
Re-measurement gains (losses) on defined benefit plans		
Opening Balance	(3,383,793)	(3,470,000)
Addition during the year	(2,091,581)	86,207
	<b>(5,475,374)</b>	<b>(3,383,793)</b>
<b>General Reserve</b>		
Opening Balance	25,403,272	25,403,272
Addition during the year	-	-
	<b>25,403,272</b>	<b>25,403,272</b>
<b>Capital Reserve</b>		
Opening Balance	3,031,100	3,031,100
	<b>3,031,100</b>	<b>3,031,100</b>
<b>Security Premium</b>		
Opening Balance	1,670,020,458	730,943,397
Add During the Year	96,453,500	939,077,061
	<b>1,766,473,958</b>	<b>1,670,020,458</b>
<b>Equity component of convertible instruments (Bonds)</b>		
Opening Balance	-	737,420,062
Less : Transfer to Share Capital and Share Premium	-	(737,420,062)
	-	-
<b>Equity component of financial instruments (advance against equity share warrant)</b>		
Opening Balance	-	-
Add During the Year	145,876,500	-
Less : Transfer to Share Capital and Share Premium	(121,153,500)	-
	<b>24,723,000</b>	-
<b>Total of B</b>	<b>1,814,155,956</b>	<b>1,695,071,037</b>
<b>Total (A+B)</b>	<b>1,453,173,178</b>	<b>1,070,621,446</b>

Retained Earnings represent the undistributed profits of the Company. Debit/negative balance represents remaining accumulated losses.

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

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

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

Capital Reserve represents project subsidy from State Government.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 22. Borrowings (At amortised cost)

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Current	Non Current	Current	Non Current
<b>Secured</b>				
<b>Term Loans</b>				
From Securitisation and Assets Reconstruction Company (ARC)	31,200,000	1,714,800,000	56,500,000	1,750,000,000
From Financial Institution	-	77,750,000	-	77,750,000
From Non Banking Financial Company	72,727,272	60,008,369	66,666,666	131,989,026
<b>Total</b>	<b>103,927,272</b>	<b>1,852,558,369</b>	<b>123,166,666</b>	<b>1,959,739,026</b>

### Nature of Security :-

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

Term loans from Securitization and Assets Reconstruction Company (ARC) are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No. 37, Industrial Estate, Dharuhera, District Rewari, Haryana, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No M4, Bahubali Plot No 17, Block 59, Municipal No. 1353/153 New rohtak road Delhi 110005, 1<sup>st</sup> pari-passu charge on land and building situated at SP-30A, SP-30B & E-31 RIICO Industrial Area, Village Karoli, PO Khushkhera District Alwar Rajasthan, 1<sup>st</sup> pari-passu charge on land and building situated at 45/14 & 45/17 Prahladpur, Bawana Road New delhi and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 39,674,457 equity shares out of 110,631,944 equity shares of the company held by Promoters/Promoters Group Companies. The rate of interest is NIL. The remaining outstanding amount payable as at the year end is repayable in unequal 22 quarterly installments with last installment being payable in September 2025.

#### 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. The rate of interest is 9.5%. This loan is repayable at time of surrender of policy.

#### Term Loan from Non Banking Financial Company

Term loan from Non Banking Financial Company is secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No. 37, Industrial Estate, Dharuhera, District Rewari, Haryana, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No M4, Bahubali Plot No 17, Block 59, Municipal No. 1353/153 New Rohtak Road Delhi 110005, 1<sup>st</sup> pari-passu charge on land and building situated at SP-30A, SP-30B & E-31 RIICO Industrial Area, Village Karoli, PO Khushkhera District Alwar Rajasthan, 1<sup>st</sup> pari-passu charge on land and building situated at 45/14 & 45/17 Prahladpur, Bawana Road New delhi and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company. The rate of interest is 16%. This loan is repayable in 33 equal monthly installments starting from 22.05.2019. Last installment due in January 2022.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

Maturity Profile of Borrowings are as set out below :-

(Amount in ₹)

Particulars	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
From Securitisation and Assets Reconstruction Company (ARC)	87,000,000	170,000,000	452,800,000	1,005,000,000
From Financial Institution	-	-	-	77,750,000
From Non Banking Financial Company	60,008,369	-	-	-
<b>Total</b>	<b>147,008,369</b>	<b>170,000,000</b>	<b>452,800,000</b>	<b>1,082,750,000</b>

## 23. Lease Liabilities

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Lease Liability towards right of use assets *	134,534,178	-
<b>Total</b>	<b>134,534,178</b>	<b>-</b>

\*Refer note no 50 of Notes to Financial Statements

## 24. Provisions

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Provisions for employee benefits</b>		
Provision for Gratuity	19,360,751	13,952,624
Provision for Leave Encashment	5,517,118	11,430,724
	<b>24,877,869</b>	<b>25,383,348</b>

### 24.1 Movement in provisions

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
Opening balance	15,409,762	15,671,982	11,953,209	12,642,648
Add: Provision created during the year	6,551,829	2,126,173	3,456,553	3,818,798
Less: Paid during the year	-	(4,354,750)	-	(663,342)
Less: Unused amount written back	-	(6,309,589)	-	(126,122)
<b>Closing Balance</b>	<b>21,961,591</b>	<b>7,133,816</b>	<b>15,409,762</b>	<b>15,671,982</b>
of which, current Provision (Refer Note no 30)	2,600,840	1,616,698	1,457,138	4,241,258

## 25. Borrowings

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Unsecured</b>		
<b>From Related Parties</b>		
Loan From Directors	-	12,250,000
(Repayable on demand, rate of interest @12 % Per annum)	-	-
		<b>12,250,000</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 26. Trade Payables

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Total outstanding dues of Micro and Small Enterprises	<b>10,233,318</b>	26,612,148
Total outstanding dues of creditors other than Micro and Small Enterprises	<b>1,082,028,907</b>	1,006,399,423
<b>Total</b>	<b>1,092,262,225</b>	<b>1,033,011,571</b>

26.1 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Principal Amount remaining unpaid at the end of the year	<b>10,233,318</b>	26,612,148
Interest Amount remaining unpaid at the end of the year	-	-
Amount of Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of Interest due and payable for the period of delay in making payment (in addition to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006)	-	-
Amount of Interest accrued and remained unpaid at the end of the year	-	-
Amount of further Interest remaining due and paid in the succeeding year	-	-
<b>Total</b>	<b>10,233,318</b>	<b>26,612,148</b>

## 27. Lease Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Lease Liability towards right of use lease assets	<b>13,873,015</b>	-
<b>Total</b>	<b>13,873,015</b>	-

## 28. Other Current Financial Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Current maturities of long term debts (Refer Note No 22)</b>		
From Securitisation and Assets Reconstruction Company (ARC)	<b>31,200,000</b>	56,500,000
From Non Banking Financial Company	<b>72,727,272</b>	66,666,666
Other Financial Liabilities	<b>37,290,708</b>	43,244,453
(Includes Expenses payable, salary & bonus payable and interest accrued )		
<b>Total</b>	<b>141,217,980</b>	166,411,119

## 29. Other current Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Advance from customers	<b>27,736,841</b>	66,071,038
Statutory Dues Payable	<b>9,908,962</b>	6,899,955
<b>Total</b>	<b>37,645,803</b>	<b>72,970,993</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 30. Provisions

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Provisions for employee benefits *</b>		
Provision for Gratuity	2,600,840	1,457,138
Provision for Leave Encashment	1,616,698	4,241,258
<b>Total</b>	<b>4,217,538</b>	<b>5,698,396</b>

\*Movement in provisions Refer Note No 24.1

## 31. Revenue from operations

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>a) Sale of Products /Services</b>		
Revenue from contacts with customers		
Sales of Prodcuts: -Manufactured goods	5,760,015,909	6,000,956,391
Sales of Services :- Job Work & EPC Contracts	198,580,191	78,208,837
Other Revenue :- Sales of Scrap	93,616,324	55,891,726
<b>b) Other Operating Revenue</b>		
Export benefits	9,817,484	9,576,068
	<b>6,062,029,908</b>	<b>6,144,633,022</b>

### 31.1 Geographical Market -All sales are point in time

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
India	5,790,317,012	5,991,459,321
Outside India	261,895,412	143,597,633
<b>Total Revenue Sale of Products /Services</b>	<b>6,052,212,424</b>	<b>6,135,056,954</b>

### 31.2 Reconciliation of revenue recognized with Contract Price

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Gross revenue recognized during the year	6,055,416,562	6,137,779,569
Less: Discount paid/payable to Customers	(3,204,138)	(2,722,615)
<b>Net revenue recognized during the year</b>	<b>6,052,212,424</b>	<b>6,135,056,954</b>

## 32. Other Income

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Interest on Bank Deposit	16,816,883	17,440,689
Interest Income - Others	5,307,682	8,892,847
Profit on sales of Mutual Funds	145,497	849,403
Exchange Fluctuation (Net)*	4,288,119	3,739,474
Interest Income on fair valuation of Security Deposit	-	1,751,386
Miscellaneous Income	332,650	401,993
	<b>26,890,831</b>	<b>33,075,792</b>

\* Refer Note No 39

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 33. Cost of materials consumed

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Raw Material consumed</b>		
Opening stock	317,866,843	138,294,285
Add: Purchases	4,828,818,304	5,199,149,215
Less: Closing stock	237,424,123	317,866,843
<b>Raw Material consumed</b>	<b>4,909,261,024</b>	<b>5,019,576,657</b>

## 34. Change in Inventories of finished goods, work-in-progress and scrap

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Opening Stock</b>		
- Finished Stock	270,132,731	70,508,995
- Work in Progress	161,205,544	45,133,643
- Scrap	6,978,236	5,710,264
	<b>438,316,511</b>	<b>121,352,902</b>
<b>Less: Closing Stock</b>		
-Finished Stock	557,948,874	270,132,731
-Work in Progress	265,881,620	161,205,544
-Scrap	4,053,607	6,978,236
	<b>827,884,101</b>	<b>438,316,511</b>
<b>Net (Increase)/Decrease in Inventories of finished goods, work-in-progress and scrap</b>	<b>(389,567,590)</b>	<b>(316,963,609)</b>

## 35. Employee Benefits Expenses

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Salaries and wages	186,846,072	154,855,512
Contribution to provident and other funds	18,472,751	11,039,840
Staff Welfare	6,430,840	5,520,305
<b>Total</b>	<b>211,749,663</b>	<b>171,415,657</b>

## 36. Finance Cost

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Interest on Loans	35,837,010	22,261,294
Interest on Bills Discounting & others	52,478,321	54,553,685
Interest on lease liability	13,983,425	-
Other Borrowing Cost	2,192,366	2,790,962
Loan Processing Fees amortized	746,615	155,692
<b>Total</b>	<b>105,237,737</b>	<b>79,761,633</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 37. Depreciation and amortization expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Depreciation on Property Plant and Equipment	85,869,562	84,258,426
Amortization on Intangible Assets	2,705,631	2,134,709
Depreciation on Right of use assets	21,888,215	-
<b>Total</b>	<b>110,463,408</b>	<b>86,393,135</b>

## 38. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Stores , Spares & Consumables	38,128,895	29,870,798
Packing Expenses	146,243,673	135,210,689
Power and Fuel	132,078,833	137,175,239
Rent *	1,810,910	23,677,704
Amortised Cost of Rent on fair valuation of Security Deposit	-	1,501,181
Repair and Maintenance		
- Plant and Machinery	37,458,614	35,470,578
- Building	3,556,253	3,896,645
- Others	2,844,555	1,984,519
Insurance	4,305,079	3,256,824
Rates and Taxes	741,131	590,336
Auditor's Remuneration	1,832,004	1,852,586
Conversion Charges	14,831,535	5,343,892
Labour Charges	129,378,301	114,871,146
Commission and Brokrage	16,192,392	15,727,482
Rebate and Discount	2,090,984	5,498,170
Freight & cartage	141,038,814	116,003,371
Bad Debts written off	4,066,282	150,090,174
Less: Provision for doubtful debts Written back	2,348,035	149,321,536
Travelling and Conveyance	33,063,652	36,122,006
Advertisement and Publicity	1,133,073	1,190,417
Communication Expenses	5,247,489	7,142,279
Loss on sale/disposal of Fixed Assets	31,415	40,099
Donations	1,669,310	2,072,002
Professional Charges	82,883,216	92,495,912
Business Promotion Expenses	36,941,537	29,622,334
Printing and Stationary	5,156,211	5,085,823
Security Charges	8,441,623	8,244,056
Testing Charges	8,279,828	7,864,386
Directors Meeting Fee	2,100,000	1,200,000
Miscellaneous Expenses	19,112,110	22,149,803
<b>Total</b>	<b>878,309,684</b>	<b>845,928,915</b>

\*Refer note no 50 of Notes to Financial Statements. The adoption of Ind AS 116 with right-of-use asset increased depreciation expenses and interest expenses by ₹ 18,410,335/- and ₹ 13,983,425/-and decreased rent expenses by ₹ 26,666,664/ for the year ended 31<sup>st</sup> March 2020

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 39. 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 2019 and 31<sup>st</sup> March 2020.

#### 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.

# Notes to Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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

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

Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	(Amount in ₹)
			Effect on profit/(loss) before tax
<b>For the year ended 31<sup>st</sup> March 2020</b>			
USD	<b>444,562</b>	+ 5%	<b>1,648,553</b>
		-5%	<b>(1,648,553)</b>
Euro	<b>11,224</b>	+ 5%	<b>44,761</b>
		-5%	<b>(44,761)</b>
GBP	<b>137,413</b>	+ 5%	<b>633,474</b>
		-5%	<b>(633,474)</b>
<b>For the year ended 31<sup>st</sup> March 2019</b>			
USD	(190,416)	+ 5%	(662,121)
		-5%	662,121
GBP	287,611	+ 5%	1,282,101
		-5%	(1,282,101)

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

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Net Foreign Exchange gain shown as other income	<b>4,288,119</b>	3,739,474

### (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at fixed rate and hence, there is no interest risk sensitivity. Weighted average cost of borrowing is 13.79% for the year ended 31<sup>st</sup> March 2020 (13.70% for the year ended 31<sup>st</sup> March 2019) excluding borrowings which are assigned/negotiated with banks with no interest liability.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 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 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	
<b>As at 31<sup>st</sup> March 2020</b>					
<b>Trade receivable</b>					
Unsecured	1,225,496,045	722,770,147	43,935,260	79,974,987	2,072,176,439
Significant increase in credit risk	-	-	-	55,061,406	55,061,406
<b>Gross Total</b>	<b>1,225,496,045</b>	<b>722,770,147</b>	<b>43,935,260</b>	<b>135,036,393</b>	<b>2,127,237,845</b>
Credit Impaired	-	-	-	55,061,406	55,061,406
<b>Net Total</b>	<b>1,225,496,045</b>	<b>722,770,147</b>	<b>43,935,260</b>	<b>79,974,987</b>	<b>2,072,176,439</b>
<b>As at 31<sup>st</sup> March 2019</b>					
<b>Trade receivable</b>					
Unsecured	1,413,080,976	602,460,491	49,046,436	69,796,488	2,134,384,391
Significant increase in credit risk	-	-	-	57,409,442	57,409,442
<b>Gross Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>127,205,930</b>	<b>2,191,793,833</b>
Credit Impaired	-	-	-	57,409,442	57,409,442
<b>Net Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>69,796,488</b>	<b>2,134,384,391</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Liquidity risk

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

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

(Amount in ₹)

Particulars	Carrying Amount	On demand	Ageing as on 31 <sup>st</sup> March 2020			Total
			< 6 months	6-12 months	> 1 years	
Borrowings	1,956,485,641	-	41,563,636	62,363,636	1,852,558,369	1,956,485,641
Trade payable	1,092,262,225	-	1,092,262,225	-	-	1,092,262,225
Other liabilities	74,936,511	-	74,936,511	-	-	74,936,511
<b>Total</b>	<b>3,123,684,377</b>	-	<b>1,208,762,372</b>	<b>62,363,636</b>	<b>1,852,558,369</b>	<b>3,123,684,377</b>
Ageing as on 31 <sup>st</sup> March 2019						
Borrowings	2,095,155,692	-	69,553,030	65,863,636	1,959,739,026	2,095,155,692
Trade payable	1,033,011,571	-	1,033,011,571	-	-	1,033,011,571
Other liabilities	116,215,446	-	116,215,446	-	-	116,215,446
<b>Total</b>	<b>3,244,382,709</b>	-	<b>1,218,780,047</b>	<b>65,863,636</b>	<b>1,959,739,026</b>	<b>3,244,382,709</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.

# Notes to Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

The Gearing ratio for FY 2019-20 and 2018-19 is an under.

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Loans and borrowings	<b>1,956,485,641</b>	2,095,155,692
Less: cash and cash equivalents	<b>15,252,769</b>	19,364,771
Net debt	<b>1,941,232,872</b>	2,075,790,921
Equity	<b>1,821,441,108</b>	1,414,189,376
Total capital	<b>3,762,673,980</b>	3,489,980,297
Gearing ratio	<b>51.59%</b>	59.48%

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

#### 40. 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.

##### 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.

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 Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

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:

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	259,072,720	259,072,720	237,057,991	237,057,991
Cash and bank balances	15,252,769	15,252,769	19,364,771	19,364,771
Investment	3	3	3	3
Trade and other receivables	2,080,110,635	2,080,110,635	2,138,779,069	2,138,779,069
Other financial assets	66,744,013	66,744,013	55,809,538	55,809,538
	<b>2,421,180,140</b>	<b>2,421,180,140</b>	<b>2,451,011,372</b>	<b>2,451,011,372</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	1,956,485,641	1,956,485,641	2,095,155,692	2,095,155,692
Trade & other payables	1,092,262,225	1,092,262,225	1,033,011,571	1,033,011,571
Other financial liabilities	37,290,708	37,290,708	43,244,453	43,244,453
	<b>3,086,038,574</b>	<b>3,086,038,574</b>	<b>3,171,411,716</b>	<b>3,171,411,716</b>

## Assets / Liabilities for which fair value is disclosed at amortised cost

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		1,956,485,641	
Other Financial Liabilities		37,290,708	
	As at 31 <sup>st</sup> March 2019		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowing Fixed Rate		2,095,155,692	
Other Financial Liabilities		43,244,453	

During the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020, 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 Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

Following table describes the valuation techniques used and key inputs to valuation for level 2

31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020, respectively:

a) **Assets / Liabilities for which fair value is disclosed at amortised cost**

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

## 41. 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.

## 42. Defined Contribution Plan

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

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Company's contribution to provident fund	11,920,922	7,583,287
<b>Total</b>	<b>11,920,922</b>	<b>7,583,287</b>

(b) **Defined Benefit Plan**

It consists of Gratuity and leave encashment.

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 2019 and 31<sup>st</sup> March 2020, being the respective measurement dates:

(c) **Movement in obligation**

Particulars	Gratuity	leave encashment
	(funded)	(unfunded)
<b>Present value of obligation - 1<sup>st</sup> April 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>
Current service cost	2,663,358	2,870,599
Interest cost	2,498,619	948,199
Benefits paid	(4,782,030)	(663,342)
Remeasurements - actuarial loss/ (gain)	(96,158)	(126,122)
<b>Present value of obligation - 31<sup>st</sup> March 2019</b>	<b>35,989,725</b>	<b>15,671,982</b>
<b>Present value of obligation - 1<sup>st</sup> April 2019</b>	<b>35,989,725</b>	<b>15,671,982</b>
Current service cost	3,378,217	982,118
Interest cost	2,728,021	1,144,055
Benefits paid	-	(6,309,589)
Remeasurements - actuarial loss/ (gain)	2,002,386	(4,354,750)
<b>Present value of obligation - 31<sup>st</sup> March 2020</b>	<b>44,098,349</b>	<b>7,133,816</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## (d) Movement in Plan Assets – Gratuity

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Fair value of plan assets at beginning of year	20,579,963	23,752,726
Expected return on plan assets	1,646,397	1,619,218
Employer contributions	-	-
Benefits paid	-	(4,782,030)
Actuarial gain / (loss)	(89,602)	(9,951)
<b>Fair value of plan assets at end of year</b>	<b>22,136,758</b>	<b>20,579,963</b>
Present value of obligation	(44,098,349)	(35,989,725)
Net funded status of plan	22,136,758	20,579,963
<b>Actual return on plan assets</b>	<b>(21,961,591)</b>	<b>(15,409,762)</b>

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

## (e) Recognised in profit and loss

(Amount in ₹)

Particulars	Gratuity	leave encashment
Current Service cost	2,663,358	2,870,599
Interest cost	879,401	948,199
Remeasurement - Actuarial loss/(gain)	-	(126,122)
<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>3,542,759</b>	<b>3,692,676</b>
Current Service cost	3,378,217	982,118
Interest cost	1,081,624	1,144,055
Remeasurement - Actuarial loss/(gain)	407	(6,309,589)
<b>For the year ended 31<sup>st</sup> March 2020</b>	<b>4,460,248</b>	<b>(4,183,416)</b>

## (f) Recognised in other comprehensive income

(Amount in ₹)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>(86,207)</b>
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended 31<sup>st</sup> March 2020</b>	<b>2,091,581</b>

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

(Amount in ₹)

Weighted average actuarial assumptions	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Attrition rate	10% PA	10% PA
Discount Rate	6.74% PA	7.58% PA
Expected Rate of increase in salary	7.50% PA	7.58% PA
Expected Rate of Return on Plan Assets	7.5 % PA	7.5 % PA
Mortality rate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Expected Average remaining working lives of employees (years)	16.65 years	16.73 years

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

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.

(h) **Sensitivity analysis:**

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

(Amount in ₹)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumption	Effect on leave encashment obligation
Discount rate	+ 1%	33,172,021	+ 1%	15,040,214
	- 1%	39,234,637	- 1%	16,364,306
Salary Growth rate	+ 1%	39,116,420	+ 1%	16,346,524
	- 1%	33,222,164	- 1%	15,044,124
Attrition Rate	+ 1%	36,021,661	+ 1%	
	- 1%	35,952,143	- 1%	

**For the year ended 31<sup>st</sup> March 2020**

Particulars	change in Assumption	Effect on Gratuity obligation	change in Assumption	Effect on leave encashment obligation
Discount rate	+ 1%	<b>40,253,845</b>	+ 1%	<b>6,805,754</b>
	- 1%	<b>48,599,772</b>	- 1%	<b>7,496,647</b>
Salary Growth rate	+ 1%	<b>48,344,258</b>	+ 1%	<b>7,484,143</b>
	- 1%	<b>40,333,288</b>	- 1%	<b>6,810,399</b>
Attrition Rate	+ 1%	<b>43,925,471</b>	+ 1%	
	- 1%	<b>44,098,349</b>	- 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.

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

(Amount in ₹)

Particulars	Gratuity
1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	2,600,840
1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	4,314,997
1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	5,019,537
1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2024	1,691,661
1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2025	2,996,329
1 <sup>st</sup> April 2025 Onwards	13,073,288

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

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Gratuity	<b>44,098,349</b>	35,989,725
Leave encashment	<b>7,133,816</b>	15,671,982
<b>Total</b>	<b>51,232,165</b>	<b>51,661,707</b>

# Notes to Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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

### (k) Current and non-current provision for Gratuity and leave encashment

For the year ended 31 <sup>st</sup> March 2019			(Amount in ₹)
Particulars	Gratuity	Leave Encashment	
Current provision	1,457,138	4,241,258	
Non current provision	13,952,624	11,430,724	
<b>Total Provision</b>	<b>15,409,762</b>	<b>15,671,982</b>	

For the year ended 31 <sup>st</sup> March 2020			
Particulars	Gratuity	Leave Encashment	
Current provision	<b>2,600,840</b>	<b>1,616,698</b>	
Non current provision	<b>19,360,751</b>	<b>5,517,118</b>	
<b>Total Provision</b>	<b>21,961,591</b>	<b>7,133,816</b>	

### (l) Employee benefit expenses

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Salaries and Wages	<b>186,846,072</b>	154,855,512
Costs-defined contribution plan	<b>18,472,751</b>	11,039,840
Welfare expenses	<b>6,430,840</b>	5,520,305
<b>Total</b>	<b>211,749,663</b>	<b>171,415,657</b>

#### 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 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.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 43. Other disclosures

### (a) Auditors Remuneration (Excluding applicable taxes i.e. GST)

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Auditors Remuneration</b>		
Audit Fee	1,550,000	1,550,000
Tax Audit Fee	150,000	150,000
Taxation Matters	50,000	50,000
Certification	50,000	50,000
Out of Pocket Expenses	32,004	52,586
<b>Total</b>	<b>1,832,004</b>	<b>1,852,586</b>

### (b) Disclosure U/S 186(4) of the Companies Act 2013.

- Details of Investment made are given in Note No 8 of Financial statements.
- No loans and guarantees are given u/s 186 (4) of the Companies Act 2013

### (c) Corporate Social Responsibility Expenses Provision

In view of earlier years accumulated losses, company was not required to spend any amount on Corporate social responsibility activities during the current and previous year.

## 44. Contingent liabilities

### i) Guarantees

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Financial Bank Guarantees outstanding	35,638,392	29,217,475
Performance Bank Guarantees outstanding	223,813,748	209,107,272
	<b>259,452,140</b>	<b>238,324,747</b>

### ii) Duties & Taxes

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Income Tax		
- Demands under appeal	10,753,256	-
Excise demands under appeal	-	21,136,416
Service Tax demands under appeal	-	21,454,859
Custom duty demand due to denial of concessional custom duty, under appeal	1,312,721	1,312,721
	<b>12,065,977</b>	<b>43,903,996</b>

### iii) Other contingent liabilities

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Outstanding Bill discounted	160,820,359	124,714,482
Claims Against the Company not acknowledged as Debt	-	2,580,254

# Notes to Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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.

### 45. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Property, Plant & Equipment	6,883,159	19,413,561

### 46. Taxation

- (i) As a matter of prudence, Deferred tax Assets has not been recognized on brought forwarded losses and other timing differences. Further there is no reasonable certainty to set off the same within the period allowable under tax laws.
- (ii) Current tax: In view of brought forwarded losses, no provision for current tax is required to be made.

### 47. 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  
 Mrs. Tannu Sharma, Company Secretary -till 31<sup>st</sup> May 2019  
 Mrs. Rashi Goel, Company Secretary -from 01<sup>st</sup> June 2019

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

Mrs. Shashi Aggarwal  
 Mrs. Archana Aggarwal  
 Mrs. Kamala Aggarwal  
 Sanjay Aggarwal (HUF)  
 Sandeep Aggarwal (HUF)  
 Dhruv Aggarwal  
 Tushar Aggarwal  
 Parth Aggarwal

#### e) Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:

Valens Technologies Private Limited  
 Valens Resizones Projects LLP

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Related Party Transactions:

Description	Current Year 2019-20				Previous Year 2018-19				(Amount in ₹)	
	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:	Enterprises where 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>Nature of transactions</b>										
<b>I Lease Rent Paid</b>										
Paramount Telecables Limited	-	26,666,664	-	-	-	-	22,166,664	-	-	-
<b>II Loan received from Directors</b>										
Mr. Sanjay Aggarwal	-	-	5,800,000	-	-	-	-	-	-	-
Mr. Sandeep Aggarwal	-	-	4,000,000	-	-	-	-	-	-	-
<b>III Loan Repaid to Directors</b>										
Mr. Sanjay Aggarwal	-	-	10,550,000	-	-	-	-	43,675,195	-	-
Mr. Sandeep Aggarwal	-	-	11,500,000	-	-	-	-	35,539,792	-	-
<b>IV Interest on Loans</b>										
Mr. Sanjay Aggarwal	-	-	837,757	-	-	-	-	1,911,627	-	-
Mr. Sandeep Aggarwal	-	-	1,000,193	-	-	-	-	2,054,405	-	-
<b>V Amount Paid (TDS on Interest)</b>										
Mr. Sanjay Aggarwal	-	-	93,084	-	-	-	-	212,403	-	-
Mr. Sandeep Aggarwal	-	-	111,132	-	-	-	-	228,267	-	-
<b>VI Purchases</b>										
Valens Technologies Private Limited	-	-	-	-	-	-	-	-	-	-
<b>VII Sales</b>										
Valens Technologies Private Limited	-	-	-	-	-	-	-	-	-	-
<b>VIII Equity Shares Allotment including share premium</b>										
Mr. Sanjay Aggarwal	-	-	-	-	-	-	-	53,654,160	-	-
Mr. Sandeep Aggarwal	-	-	-	-	-	-	-	53,654,160	-	-
Paramount Telecables Limited	-	73,575,000	-	-	-	-	44,666,020	-	-	-
Mrs. Shashi Aggarwal	-	-	-	-	-	-	-	-	19,456,500	19,456,500
Mrs. Archana Aggarwal	-	-	-	-	-	-	-	-	19,334,420	19,334,420

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

Description	Current Year 2019-20				Previous Year 2018-19				
	Subsidiaries of the Company: Group where common control exists:	Other related parties in the Management Group where common control exists:	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place:	Subsidiaries of the Company: Group where common control exists:	Other related parties in the Management Group where common control exists:	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place:	Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:
Nature of transactions									
Mrs. Kamala Aggarwal	-	-	-	4,905,000	-	-	-	32,522,951	32,522,951
Shyam Sunder Aggarwal (HUF)	-	-	-	-	-	-	-	4,196,500	4,196,500
Sanjay Aggarwal (HUF)	-	-	-	14,224,500	-	-	-	12,391,120	12,391,120
Sandeep Aggarwal (HUF)	-	-	-	-	-	-	-	19,544,169	19,544,169
Mr. Dhruv Aggarwal	-	-	-	14,224,500	-	-	-	-	-
Mr. Tushar Aggarwal	-	-	-	14,224,500	-	-	-	-	-
<b>IX Share Application Money Received</b>	-	-	-	-	-	-	-	-	-
Mr. Sanjay Aggarwal	-	-	10,578,000	-	-	-	-	-	-
Mr. Sandeep Aggarwal	-	-	10,578,000	-	-	-	-	-	-
Mr. Parth Aggarwal	-	-	-	3,567,000	-	-	-	-	-
<b>X Remuneration to Key Managerial Personnel (KMP)</b>									
Mr. Sanjay Aggarwal, Chairman and CEO	-	-	17,819,134	-	-	-	5,839,739	-	-
Mr. Sandeep Aggarwal, Managing Director	-	-	17,791,084	-	-	-	5,763,719	-	-
Mr. Shambhu Kumar Aggarwal, Chief Financial Officer	-	-	3,124,861	-	-	-	2,770,786	-	-
Mrs. Tannu Sharma, Company Secretary	-	-	89,698	-	-	-	752,231	-	-
Mrs. Rashi Goel, Company Secretary	-	-	832,546	-	-	-	-	-	-

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Related Party Balances:

Description	Current Year 2019-20					Previous Year 2018-19				
	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 :	Enterprises where 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:	Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:
I Advance given balance outstanding as at year end	<b>7,356,888</b>	-	-	-	-	7,356,888	-	-	-	-
II Provision for Advance as at year end	<b>7,356,888</b>	-	-	-	-	7,356,888	-	-	-	-
III outstanding of security deposit given for premises taken on rent as at year end	-	<b>18,000,000</b>	-	-	-	-	18,000,000	-	-	-
IV Loan outstanding at the year end	-	-	-	-	-	-	-	12,250,000	-	-
V Advance given balance outstanding as at year end	-	-	-	-	-	-	-	-	-	-
Paramount Telecables Limited	-	<b>2,228,000</b>	-	-	-	-	-	-	-	-
Valens Resizone Projects LLP	-	-	-	-	-	-	-	-	-	<b>3,850,440</b>

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Remuneration to Key Managerial Personnel (KMP)

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Short-Term employee benefits*	34,930,285	13,410,240
Post-Employment benefits		
- Defined contribution plan\$	3,642,233	1,186,706
- Defined benefit plan#	1,084,805	529,529
<b>Total</b>	<b>39,657,323</b>	<b>15,126,475</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

## 48. Earnings per share

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

Particulars	Number of shares	
	Year ended March 2020	Year Ended March 2019
<b>Number of Equity Shares at the beginning of the year</b>	<b>171,783,965</b>	<b>142,902,465</b>
Add: Weighted average number of equity shares issued during the year	947,397	12,342,466
Add: Weighted average no of Equity Shares for FCCB	-	11,881,500
<b>Weighted average number of Equity shares for Basic EPS (A)</b>	<b>172,731,362</b>	<b>167,126,431</b>
Add: Weighted average number of Potential equity share for outstanding convertible share warrents.	751,438	-
<b>Weighted average number of equity shares for Diluted EPS (B)</b>	<b>173,482,801</b>	<b>167,126,431</b>

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

Particulars	Year Ended March 2020	Year Ended March 2019
Net Profit after Taxation (₹)	263,466,813	291,596,426
Basic Earnings per Share (₹)	1.53	1.74
Diluted Earnings per Share (₹)	1.52	1.74
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 Standalone Financial Statements

## for the year ended 31<sup>st</sup> March 2020

### 49. 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

### 50. Leases

The impact of Ind AS 116 on the company's financial statements at 31<sup>st</sup> March 2020 is as follows:

**Balance sheet:** The adoption of Ind AS 116 results in an increase in total assets of ₹ 418,984,084/- as right-of-use assets and decrease in property plant & equipment by ₹ 279,781,867/-. Financial liabilities have increased by ₹ 148,407,193 as Lease Liability and net equity decreases by ₹ 5,727,096/-.

# Notes to Standalone Financial Statements

for the year ended 31<sup>st</sup> March 2020

**Statement of profit and loss:** The adoption of Ind AS 116 results in increase in depreciation on right-of-use assets by ₹ 18,410,335/- and increase in finance costs by ₹ 13,983,425/- due to recognition of interest expense on lease liabilities. Rent expenses were reduced by ₹ 26,666,664/-, resulting in an overall net reduction of profit before taxes of ₹ 5,727,096/-.

**Statement of cash flows:** The adoption of Ind AS 116 results in increase in operating cash flows by ₹ 5,727,096/- as depreciation and related interest is in excess of rent paid.

Expenses relating to short-term leases and low value assets have been disclosed under rent in note 38.

**51.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

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

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

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
UDIN: 20080691AAAABE8310  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

#### For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Independent Auditors' Report

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

## Opinion

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of **Paramount Communications Limited** ("the Company") and its subsidiaries hereinafter referred to as the "Group" to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the act read with rules as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2020, their consolidated profit (including Other Comprehensive Income), their

consolidated cash flows and consolidated statement of Changes in Equity for the year ended on that date

## Basis of Opinion

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

## Key Audit Matters

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

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

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

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

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

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

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

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

In preparing the consolidated financial statements, holding company's management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditors' Responsibility

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) The financial statements of two subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ Nil and net assets of ₹ Nil as at 31<sup>st</sup> March 2020, total revenue of ₹ Nil and net profit of ₹ Nil, and net cash inflows of ₹ Nil for the year then ended have not

been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the afore said subsidiaries, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

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

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law maintained by the Company, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended).
- e. On the basis of written representation received from the directors as on 31<sup>st</sup> March 2020, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 44 of the Consolidated Financial Statements.
- ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2020.
- iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31<sup>st</sup> March 2020.
- h. The managerial remuneration for the year ended 31<sup>st</sup> March 2020 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act

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

**Pawan Bholusaria**  
Partner

Place: New Delhi  
Date: 14<sup>th</sup> July 2020

M.No. 080691  
UDIN: 20080691AAAABF9034

## Annexure “A” to Independent Auditors’ Report

Referred to in paragraph (f) under “Report on Other Legal and Regulatory Requirements” section of our 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, 2020

### 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 2020 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 2020, 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

UDIN: 20080691AAAABF9034

Place: New Delhi  
Date: 14<sup>th</sup> July 2020

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2020

CIN : L74899DL1994PLC061295

Particulars	Note No.	(Amount in ₹)	
		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	5	1,022,866,193	1,317,512,801
(b) Right of use assets	6	418,984,084	-
(c) Intangible assets	7	8,943,947	6,096,578
(d) Financial Assets			
(i) Investments	8	1	1
(ii) Loans	9	343,125	252,042
(iii) Others	10	139,699,414	156,387,612
(e) Other non-current assets	11	4,637,849	7,374,778
		<b>1,595,474,613</b>	<b>1,487,623,812</b>
<b>2 Current assets</b>			
(a) Inventories	12	1,089,266,548	777,790,400
(b) Financial Assets			
(i) Trade Receivables	13	2,072,176,439	2,134,384,391
(ii) Cash and cash equivalents	14	15,252,769	19,364,771
(iii) Bank Balances other than (ii) above	15	141,612,624	101,054,977
(iv) Loans	16	7,591,071	4,142,636
(v) Other Current Financial Assets	17	44,504,695	35,424,941
(c) Income Tax Assets(Net)	18	21,804,108	11,733,375
(d) Other current assets	19	134,945,216	118,134,524
		<b>3,527,153,470</b>	<b>3,202,030,015</b>
<b>Total Assets</b>		<b>5,122,628,083</b>	<b>4,689,653,827</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	20	368,267,930	343,567,930
(b) Other Equity	21	1,453,173,176	1,070,621,444
		<b>1,821,441,106</b>	<b>1,414,189,374</b>
<b>2 Liabilities</b>			
(i) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	1,852,558,369	1,959,739,026
(ii) Lease Liabilities	23	134,534,178	-
(b) Provisions	24	24,877,869	25,383,348
		<b>2,011,970,416</b>	<b>1,985,122,374</b>
(ii) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	-	12,250,000
(ii) Trade payables	26		
Total outstanding dues of Micro and Small Enterprises		10,233,318	26,612,148
Total outstanding dues of creditors other than Micro and Small Enterprises		1,082,028,907	1,006,399,423
(iii) Lease Liabilities	27	13,873,015	-
(iv) Other Current Financial Liabilities	28	141,217,980	166,411,119
(b) Other current liabilities	29	37,645,803	72,970,993
(c) Provisions	30	4,217,538	5,698,396
		<b>1,289,216,561</b>	<b>1,290,342,079</b>
<b>TOTAL Equity and Liabilities</b>		<b>5,122,628,083</b>	<b>4,689,653,827</b>

Notes forming part of the Consolidated Financial Statements

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)  
UDIN: 20080691AAAABF9034  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

## For and on behalf of the Board

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

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

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

(**Rashi Goel**)  
Company Secretary  
Mem No.: FCS 9577

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2020

CIN : L74899DL1994PLC061295

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Revenue :</b>			
I. Revenue from operations	31	6,062,029,908	6,144,633,022
II. Other income	32	26,890,831	33,075,792
<b>III. Total Income (I + II)</b>		<b>6,088,920,739</b>	<b>6,177,708,814</b>
<b>IV. Expenses:</b>			
Cost of material consumed	33	4,909,261,024	5,019,576,657
Change in Inventories of finished goods, work-in-progress and scrap	34	(389,567,590)	(316,963,609)
Employee benefits expenses	35	211,749,663	171,415,657
Finance costs	36	105,237,737	79,761,633
Depreciation and amortization Expenses	37	110,463,408	86,393,135
Other Expenses	38	878,309,684	845,928,915
<b>Total Expenses (IV)</b>		<b>5,825,453,926</b>	<b>5,886,112,388</b>
<b>V. Profit Before exceptional items and Tax (III - IV)</b>		<b>263,466,813</b>	<b>291,596,426</b>
VI. Exceptional items		-	-
VII. Profit before tax (V - VI)		263,466,813	291,596,426
VIII. Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Total Tax Expense (VIII)</b>		<b>-</b>	<b>-</b>
<b>IX. Profit for the year (VII - VIII)</b>		<b>263,466,813</b>	<b>291,596,426</b>
<b>X. Comprehensive Income</b>			
<b>Other Comprehensive Income</b>			
<b>Items will not be classified to Profit &amp; Loss</b>			
Re-measurement gains/ (losses) on defined benefit plans		(2,091,581)	86,207
Income tax effect on above		-	-
		(2,091,581)	86,207
<b>XI. Total Comprehensive Income for the year (IX +X) (Comprehensive profit and other comprehensive income for the year)</b>		<b>261,375,232</b>	<b>291,682,633</b>
<b>XII. Earnings Per Equity Share:</b>	48		
(1) Basic		1.53	1.74
(2) Diluted		1.52	1.74

Notes forming part of the Consolidated Financial Statements

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)  
UDIN: 20080691AAAABF9034  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

## For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Consolidated Statement of Cash Flow

for the year ended 31<sup>st</sup> March 2020

CIN : L74899DL1994PLC061295

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>(A) Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation</b>	<b>263,466,813</b>	<b>291,596,426</b>
<b>Adjustment for :</b>		
Depreciation and amortization expenses	110,463,408	86,393,135
Interest Expenses	88,315,331	76,814,979
Interest on lease liability	13,983,425	-
Reversal of rent lease liability	(26,666,664)	-
Profit on sales of Mutual Funds	(145,497)	(849,403)
Loss / (Profit) on sale of assets(net)	31,415	40,099
Interest Income	(22,124,565)	(26,333,536)
Interest Income on fair valuation of Security Deposit	-	(1,751,386)
Bad debts written off	4,066,282	150,090,174
Provision for Doubtful debts/ Written back	(2,348,035)	(149,321,536)
	<b>165,575,100</b>	<b>135,082,526</b>
<b>Operating Profit before working capital changes</b>	<b>429,041,913</b>	<b>426,678,952</b>
<b>Adjustment for :</b>		
Decrease / (Increase) in Trade Receivables	60,489,705	(249,091,251)
Decrease / (Increase) in Loans & Advances	(3,539,519)	(1,026,262)
Decrease / (Increase) in Inventories	(311,476,147)	(499,863,331)
Decrease / (Increase) in Other financial and non financial Assets	(47,022,967)	(18,125,202)
(Decrease) / Increase in Trade Payables	59,250,654	119,082,833
(Decrease) / Increase in Other Liabilities & Provisions	(45,356,852)	53,330,575
	<b>(287,655,126)</b>	<b>(595,692,638)</b>
<b>Cash generated from operation</b>	<b>141,386,787</b>	<b>(169,013,686)</b>
Exceptional items		
Income Tax Paid	(10,070,733)	(6,625,962)
	<b>(10,070,733)</b>	<b>(6,625,962)</b>
<b>Net Cash from Operating Activities</b>	<b>131,316,054</b>	<b>(175,639,648)</b>
<b>(B) Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets including Capital WIP	(76,984,549)	(107,663,354)
Sale of Fixed Assets	395,313	918,655
Interest Received	22,124,565	26,333,536
Sale of Investments (Mutual Fund)	45,145,497	18,849,403
Purchase of Investments (Mutual Fund)	(45,000,000)	(18,000,000)
	<b>(54,319,174)</b>	<b>(79,561,760)</b>
<b>Net Cash From Investing Activities</b>	<b>(54,319,174)</b>	<b>(79,561,760)</b>

# Consolidated Statement of Cash Flow (Contd...)

for the year ended 31<sup>st</sup> March 2020

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>(C) Cash Flows from Financing Activities</b>		
Interest paid	(88,315,331)	(76,814,979)
Increase/(Decrease) in Borrowings from banks / ARC /NBFC	(126,420,051)	144,655,691
Loan From Directors	(12,250,000)	(79,214,990)
Issue of Equity Share Capital with premium and Equity share warrant	145,876,500	259,420,000
	<b>(81,108,882)</b>	<b>248,045,722</b>
<b>Net Cash from Financing Activities</b>	<b>(81,108,882)</b>	<b>248,045,722</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(4,112,002)</b>	<b>(7,155,686)</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>19,364,771</b>	<b>26,520,457</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>15,252,769</b>	<b>19,364,771</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,112,002)</b>	<b>(7,155,686)</b>

## Reconciliation of Borrowings

(Amount in ₹)

Particulars	Borrowings	Borrowings
	(Current & Non-Current)	(Current & Non-Current)
	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Opening balance	2,095,155,692	2,029,714,990
Proceeds	-	200,000,000
Repayments	138,670,051	134,559,298
<b>Closing balance</b>	<b>1,956,485,641</b>	<b>2,095,155,692</b>

### Note:

- Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Statement of Cash Flows)
- Figures in brackets represent outflow of cash.

Notes forming part of the Consolidated Financial Statements 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)  
UDIN: 20080691AAAABF9034  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

### For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Consolidated Statement of Changes In Equity

for the year ended 31<sup>st</sup> March 2020

## A. Equity share capital

Particulars	Balance as at 1 <sup>st</sup> April 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 <sup>st</sup> March 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 <sup>st</sup> March 2020
No of Shares	142,902,465	28,881,500	171,783,965	12,350,000	184,133,965
Amount in (₹)	285,804,930	57,763,000	343,567,930	28,881,500	372,449,430

## B. Other Equity

Particulars	Equity component of convertible instruments	Reserve and Surplus			Items of other comprehensive Income	Total
		Capital Reserve	Securities Premium	General Reserve		
<b>Balance as at 1<sup>st</sup> April 2018</b>	<b>737,420,062</b>	<b>3,031,100</b>	<b>730,943,397</b>	<b>25,403,272</b>	<b>(3,470,000)</b>	<b>577,281,812</b>
Total Comprehensive Income for the year 2018-19			201,656,999		291,596,426	291,596,426
Addition during the year						201,656,999
Re-measurement of net defined benefit Plans					86,207	86,207
Transfer to Equity and share premium	(737,420,062)		737,420,062			-
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>3,031,100</b>	<b>1,670,020,458</b>	<b>25,403,272</b>	<b>(3,383,793)</b>	<b>1,070,621,444</b>
Total Comprehensive Income for the year 2019-20					263,466,813	263,466,813
Addition during the year	145,876,500		964,573,500			242,330,000
Re-measurement of net defined benefit Plans					(2,091,581)	(2,091,581)
Transfer to Equity and share premium	(121,153,500)					(121,153,500)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>24,723,000</b>	<b>3,031,100</b>	<b>1,766,473,958</b>	<b>25,403,272</b>	<b>(5,475,374)</b>	<b>1,453,173,176</b>

Notes forming part of the Consolidated Financial Statements 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)  
UDIN: 20080691AAAAABF9034  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

### For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 1. Corporate and General Information

Paramount Communications Limited (“PCL”) or (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The registered office of the company is situated at C-125 Naraina industrial Area Phase-1, New Delhi – 110028. The Company is engaged in manufacturing business of Wires and Cables. The manufacturing facilities of the company are situated at Khushkhhera, Rajasthan and Dharuhera, Haryana.

The Equity shares of the company are listed at National Stock Exchange and Bombay stock Exchange.

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 20.

The Consolidated financial statement for the year ended 31<sup>st</sup> March 2020 are adopted and authorised for issue by board of directors of the Parent on dated 14<sup>th</sup> July 2020.

## 2. Statement of Compliance & Basis of preparation

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rule 2015.

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%

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

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

"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,

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

#### 3.2 Property, Plant and Equipment

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

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

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

Computer software's are 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.

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

### 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 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.

### 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.

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

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 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.

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

### 3.11 Taxation

Income tax expense represents the sum of current and deferred tax. 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.

### 3.12 Revenue recognition and Other income

#### Sale of Goods

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. 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, volume rebates and amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods as per IND AS 115.

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Revenue is inclusive of Material returned/ rejected is accounted for in the year of return/ rejection.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

#### 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1<sup>st</sup> April 2020

### 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.

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

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 Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at

or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

## 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,

# Significant Accounting Policies and Notes to the Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

- 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.

### 3.18 COVID Policy

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current Indicators of economic conditions, there is no significant impact on financial results for this year. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

## 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, 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.

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

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

### (f) Defined Benefit Plan

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 5. Property, Plant and equipment

	Freehold Land	Lease hold Land	Buildings	Lease hold Building improvement	Plant and Equipment	Furniture and Fixture	Vehicles	Office Equipment	Total
									(Amount in ₹)
<b>Gross Block</b>									
<b>As at 1<sup>st</sup> April 2018</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,071,718</b>	<b>5,234,030</b>	<b>708,362,062</b>	<b>17,466,601</b>	<b>4,444,191</b>	<b>6,464,906</b>	<b>1,481,465,638</b>
Additions	-	-	-	-	104,607,453	236,970	108,429	2,181,502	107,134,354
Disposals/Adjustments	-	-	-	-	(787,814)	-	(302,577)	-	(1,090,391)
<b>As at 31<sup>st</sup> March 2019</b>	<b>230,235,130</b>	<b>290,187,000</b>	<b>219,071,718</b>	<b>5,234,030</b>	<b>812,181,701</b>	<b>17,703,571</b>	<b>4,250,043</b>	<b>8,646,408.29</b>	<b>1,587,509,601</b>
Additions	-	-	-	-	66,773,249	559,881	1,043,918	3,054,501	71,431,549
Disposals/Adjustments	-	-	-	-	(252,750)	-	(504,821)	-	(757,571)
Transfer to Right of Use Assets *	-	290,187,000	-	-	-	-	-	-	290,187,000
<b>As at 31<sup>st</sup> March 2020</b>	<b>230,235,130</b>	<b>-</b>	<b>219,071,718</b>	<b>5,234,030</b>	<b>878,702,200</b>	<b>18,263,452</b>	<b>4,789,140</b>	<b>11,700,909</b>	<b>1,367,996,579</b>
<b>Accumulated Depreciation</b>									
<b>As at 1<sup>st</sup> April 2018</b>	<b>-</b>	<b>6,936,755</b>	<b>17,125,465</b>	<b>3,093,952</b>	<b>144,440,641</b>	<b>9,958,649</b>	<b>1,944,956</b>	<b>2,369,591</b>	<b>185,870,010</b>
Depreciation charge for the year	3,468,378	-	8,631,730	1,491,782	67,082,203	1,762,764	409,729	1,411,840	84,258,426
Impairment	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	(131,636)	-	-	-	(131,636)
<b>As at 31<sup>st</sup> March 2019</b>	<b>-</b>	<b>10,405,133</b>	<b>25,757,195</b>	<b>4,585,734</b>	<b>211,391,208</b>	<b>11,721,413</b>	<b>2,354,685</b>	<b>3,781,431</b>	<b>269,996,800</b>
Depreciation charge for the year	-	8,655,379	-	50,723	71,647,760	3,224,658	449,715	1,841,327	85,869,562
Impairment	-	-	-	-	(15,684)	-	(315,159)	-	(330,843)
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Transfer to Right of Use Assets *	-	10,405,133	-	-	-	-	-	-	10,405,133
<b>As at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>-</b>	<b>34,412,574</b>	<b>4,636,457</b>	<b>283,023,284</b>	<b>14,946,071</b>	<b>2,489,241</b>	<b>5,622,758</b>	<b>345,130,386</b>
<b>Net Carrying Amount</b>									
<b>As at 31<sup>st</sup> March 2019</b>	<b>230,235,130</b>	<b>279,781,867</b>	<b>193,314,523</b>	<b>648,295</b>	<b>600,790,493</b>	<b>5,982,157</b>	<b>1,895,358</b>	<b>4,864,977</b>	<b>1,317,512,801</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>230,235,130</b>	<b>-</b>	<b>184,659,144</b>	<b>597,572</b>	<b>595,678,916</b>	<b>3,317,380</b>	<b>2,299,899</b>	<b>6,078,151</b>	<b>1,022,866,193</b>

Note:-

- 1) Property, plant and equipment is hypothecated for long term borrowings from Assets Reconstruction Company and NBFCL. (Refer note no. 22).
- 2) Title deeds of factory land measuring 3,108.72 sq. mtr. at Prahlaadpur, Bawana Road, Delhi of ₹ 60,417,500 are yet to be registered/transferred in the name of company.
- 3) \* Lease hold land has been transferred to Right of Use Assets as per IND AS 116.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 6. Right to use assets

(Amount in ₹)

Particulars	Lease hold Land	Right of use assets (Lease Hold Building)	Total
<b>Gross Block</b>			
<b>As at 1<sup>st</sup> April 2018</b>	-	-	-
Additions	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31<sup>st</sup> March 2019</b>	-	-	-
Additions	-	161,090,432	161,090,432
Disposals/Adjustments	-	-	-
Transfer from Property Plant & Equipment due to adoption of IND AS 116	279,781,867	-	279,781,867
<b>As at 31<sup>st</sup> March 2020</b>	<b>279,781,867</b>	<b>161,090,432</b>	<b>440,872,299</b>
<b>Accumulated Depreciation</b>			
<b>As at 1<sup>st</sup> April 2018</b>	-	-	-
Depreciation charge for the year	-	-	-
Impairment	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31<sup>st</sup> March 2019</b>	-	-	-
Depreciation charge for the year	3,477,880	18,410,335	21,888,215
Impairment	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>3,477,880</b>	<b>18,410,335</b>	<b>21,888,215</b>
<b>Net Carrying Amount</b>			
<b>As at 31<sup>st</sup> March 2019</b>	-	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>276,303,987</b>	<b>142,680,097</b>	<b>418,984,084</b>

Note:-

- 1) Lease hold land is hypothecated for long term borrowings from Assets Reconstruction Company and NBFC. (Refer note no. 22)
- 2) Effective from 1<sup>st</sup> April 2019, the company has adopted IND AS 116 "Leases" using the modified retrospective approach, Accordingly, previous year figures are not applicable.
- 3) Refer note no 50 of Notes to Financial Statements.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 7. Intangible Assets

Particulars	(Amount in ₹)	
	Other Intangibles (Software)	Total
<b>Gross Block</b>		
<b>As at 1<sup>st</sup> April 2018</b>	<b>10,967,129</b>	<b>10,967,129</b>
Addition during the year	529,000	529,000
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>11,496,129</b>	<b>11,496,129</b>
Addition during the year	5,553,000	5,553,000
Adjustment	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>17,049,129</b>	<b>17,049,129</b>
<b>Accumulated Amortization</b>		
<b>As at 1<sup>st</sup> April 2018</b>	<b>3,264,842</b>	<b>3,264,842</b>
Charge for the year	2,134,709	2,134,709
Impairment	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>5,399,551</b>	<b>5,399,551</b>
Charge for the year	2,705,631	2,705,631
Impairment	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>8,105,182</b>	<b>8,105,182</b>
<b>Net Carrying Amount</b>		
<b>As at 31<sup>st</sup> March 2019</b>	<b>6,096,578</b>	<b>6,096,578</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>8,943,947</b>	<b>8,943,947</b>

## 8. Non Current Investments

Particulars	As at 31 <sup>st</sup> March 2020			As at 31 <sup>st</sup> March 2019		
	No. of Shares	Face Value	Amount	No. of Shares	Face Value	Amount
<b>Long Term (Unquoted)</b>						
<b>In Subsidiaries</b>						
<b>Equity Instruments</b>						
06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom. In administration liquidation	20000	£1 each	1	20000	£1 each	1
<b>Total</b>			<b>1</b>			<b>1</b>
<b>Aggregate amount of unquoted investment (Market value)</b>			<b>1</b>			<b>1</b>
<b>Grand Total</b>			<b>1</b>			<b>1</b>
<b>Aggregate value of quoted investments</b>			-			-
<b>Aggregate Market value of quoted investments</b>			-			-
<b>Aggregate value of unquoted investments</b>			<b>76</b>			<b>76</b>
<b>Aggregate amount of impairment in value of investments</b>			<b>75</b>			<b>75</b>

Aggregate Provision for diminution in value of investments has been made keeping in view that subsidiary "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is under Administration/liquidation w.e.f 28<sup>th</sup> February, 2014. The company has provided full impairment of investment in earlier years. Therefore, consolidated financial statements do not include financial position, financial performance and cash flows of this company.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 9. Non Current Loans

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Staff Loans</b>		
Secured, considered good	-	-
Unsecured, considered good	343,125	252,042
Loan Receivables which have significant increase in credit Risk	-	-
Loan Receivables- credit impaired	-	-
<b>Total</b>	<b>343,125</b>	<b>252,042</b>

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

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Security Deposits		
to related party	-	-
to others	15,696,024	13,751,625
Bank Deposits (with remaining maturity of more than 12 months)*	117,460,096	136,003,014
Interest Accrued but not due on fixed deposits	6,543,294	6,632,973
Advance to Related Parties - (Net of Provision)	-	-
	<b>139,699,414</b>	<b>156,387,612</b>

\*\*Under lien/custody with banks.

## 11. Other Non-Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Capital Advances (Unsecured, considered good)	4,637,849	7,374,778
<b>Total</b>	<b>4,637,849</b>	<b>7,374,778</b>

## 12. Inventories

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Raw Material *	237,424,123	317,866,843
Work- in -progress	265,881,620	161,205,544
Finished goods	557,948,874	270,132,731
Stores and Spares *	17,376,750	15,796,468
Packing materials *	6,581,574	5,810,578
Scrap	4,053,607	6,978,236
<b>Total inventories</b>	<b>1,089,266,548</b>	<b>777,790,400</b>

\*The above includes Goods in Transit in respect of raw material amounting to ₹ 29,794,382/-, packing material ₹ 196,180/- & stores and spares ₹ 722,897/- as at 31<sup>st</sup> March 2020, previous year goods in transit ₹ Nil.

Inventories have been offered as security against the borrowings (Refer Note No 22)

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 13. Trade Receivables

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Secured, considered good	-	-
Unsecured, considered good	2,072,176,439	2,134,384,391
Trade Receivables which have significant increase in credit Risk	55,061,406	57,409,442
Trade Receivables- credit impaired	(55,061,406)	(57,409,442)
<b>Total Trade Receivables</b>	<b>2,072,176,439</b>	<b>2,134,384,391</b>

## 14. Cash and Cash equivalents

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Balances with banks		
On current accounts	12,510,564	16,077,266
Cash on hand	2,742,205	3,287,505
	<b>15,252,769</b>	<b>19,364,771</b>

## 15. Other Bank Balances

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	141,612,624	101,054,977
	<b>141,612,624</b>	<b>101,054,977</b>

\*Under lien/custody with banks.

## 16. Current Loans Others Loans

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Secured, considered good	-	-
Unsecured, considered good		
- Employees Loans & advances	7,591,071	4,142,636
Loan Receivables which have significant increase in credit Risk	-	-
Loan Receivables- credit impaired	-	-
	<b>7,591,071</b>	<b>4,142,636</b>

## 17. Other Current Financial Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Earnest Money Deposits	11,407,158	6,124,386
Security Deposits		
to related party *	18,000,000	18,000,000
to others	837,284	846,024
Interest Accrued but not due on fixed deposits	14,260,253	10,454,531
	<b>44,504,695</b>	<b>35,424,941</b>

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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 18. Current Tax Assets (Net)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
TDS & Income Tax Paid	21,804,108	11,733,375
	<b>21,804,108</b>	<b>11,733,375</b>

## 19. Other Current Assets

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Advances to contractors and suppliers		
to related party	6,078,440	-
to others	41,570,468	33,607,980
Balance with GST Authorities	62,334,714	33,556,350
Amount Recoverable from Government*	9,832,055	35,086,080
Prepaid Expenses	15,129,539	15,884,114
<b>Total</b>	<b>134,945,216</b>	<b>118,134,524</b>

\*represents sales tax, duty drawback and incentive schemes etc.

## 20. Equity Share capital

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Authorised share capital</b>		
250,000,000 (31 <sup>st</sup> March 2019- 250,000,000) Equity Shares of ₹ 2/-each	500,000,000	500,000,000
1,000,000 (31 <sup>st</sup> March 2019- 1,000,000) Redeemable Preference Shares of ₹ 100/-each	100,000,000	100,000,000
	<b>600,000,000</b>	<b>600,000,000</b>
<b>Issued,Subscribed and Paid up Capital</b>		
184,133,965 (March, 2019 -171,783,965) Equity Shares of ₹ 2/-each fully paid up	368,267,930	343,567,930
	<b>368,267,930</b>	<b>343,567,930</b>

### Reconciliation of the number of equity shares and share capital

	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	No of shares	(Amount in ₹)	No of shares	(Amount in ₹)
Shares outstanding as at the beginning of the year	171,783,965	343,567,930	142,902,465	285,804,930
Add: Shares issued during the year	12,350,000	24,700,000	28,881,500	57,763,000
<b>Shares outstanding as at the end of the year</b>	<b>184,133,965</b>	<b>368,267,930</b>	<b>171,783,965</b>	<b>343,567,930</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

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

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

Name of the shareholders	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	No of Shares Hold	% of Holding	No of Shares Hold	% of Holding
M/s Paramount Telecables Limited	<b>38,743,500</b>	<b>21.04</b>	31,243,500	18.19
M/s April Investment and Finance Pvt. Ltd.	<b>13,040,172</b>	<b>7.08</b>	13,040,172	7.59
Mrs. Shashi Aggarwal	<b>9,762,800</b>	<b>5.30</b>	9,762,800	5.68
Mr. Sanjay Aggarwal	<b>9,761,013</b>	<b>5.30</b>	9,342,100	5.44
Mr. Sandeep Aggarwal	<b>9,700,733</b>	<b>5.27</b>	9,248,300	5.38

## Terms /Right of Equity shares

Company has only one class of issued equity shares having a par value of ₹ 2/ per equity share. Each equity share holder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the share holders in the ensuing Annual General meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

## Equity Share Warrants (Pending Allotment)

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
25% Upfront Payment	<b>24,723,000</b>	-
<b>Total</b>	<b>24,723,000</b>	-

Equity Share Warrants	No of Warrants	No of Warrants
<b>Opening Balance</b>	-	-
Add Issued during the Year	22,400,000	-
Less : Convertered into Equity Shares	(12,350,000)	-
	<b>10,050,000</b>	-

Money received against Share Warrants represents amounts received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of ₹ 2 each.

During the current year, the Company has issued to its Promoter/Promoter Group Entities 22,400,000 Warrants at a price of ₹ 9.81 each entitling them for subscription of equivalent number of Equity Shares of ₹ 2 each (including premium of ₹ 7.81 each share) in accordance with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018. Against these warrents, the Company has issued and allotted 12,350,000 equity shares of ₹ 2 each at a premium of ₹ 7.81 each to promoter group entities on preferential basis upon conversion of equivalent number of warrants. For balance 10,050,000 warrants against which 25 % upfront payment received, will be converted within the specified time limit as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 21. Other Equity

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>(A) Retained Earnings</b>		
Opening Balance	<b>(624,449,593)</b>	(916,046,019)
Add: Net profit for the year	<b>263,466,813</b>	291,596,426
<b>Total of A</b>	<b>(360,982,780)</b>	<b>(624,449,593)</b>
<b>(B) Other Reserves</b>		
<b>items of Other comprehensive Income</b>		
Re-measurement gains (losses) on defined benefit plans		
Opening Balance	<b>(3,383,793)</b>	(3,470,000)
Addition during the year	<b>(2,091,581)</b>	86,207
	<b>(5,475,374)</b>	<b>(3,383,793)</b>
<b>General Reserve</b>		
Opening Balance	<b>25,403,272</b>	25,403,272
Addition during the year	-	-
	<b>25,403,272</b>	<b>25,403,272</b>
<b>Capital Reserve</b>		
Opening Balance	<b>3,031,100</b>	3,031,100
	<b>3,031,100</b>	<b>3,031,100</b>
<b>Security Premium</b>		
Opening Balance	<b>1,670,020,458</b>	730,943,397
Add During the Year	<b>96,453,500</b>	939,077,061
	<b>1,766,473,958</b>	<b>1,670,020,458</b>
<b>Equity component of convertible instruments (Bonds)</b>		
Opening Balance	-	737,420,062
Less : Transfer to Share Capital and Share Premium	-	(737,420,062)
	-	-
<b>Equity component of financial instruments (advance against equity share warrant)</b>		
Opening Balance	-	-
Add During the Year	<b>145,876,500</b>	-
Less : Transfer to Share Capital and Share Premium	<b>(121,153,500)</b>	-
	<b>24,723,000</b>	-
<b>Total of B</b>	<b>1,814,155,956</b>	<b>1,695,071,037</b>
<b>Total (A+B)</b>	<b>1,453,173,176</b>	<b>1,070,621,444</b>

Retained Earnings represent the undistributed profits of the Company. Debit/negative balance represents remaining accumulated losses.

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

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

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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

Capital Reserve represents project subsidy from State Government.

### 22. Borrowings (At amortised cost)

Particulars	(Amount in ₹)			
	31 <sup>st</sup> March 2020		31 <sup>st</sup> March 2019	
	Current	Non Current	Current	Non Current
<b>Secured</b>				
<b>Term Loans</b>				
From Securitisation and Assets Reconstruction Company (ARC)	31,200,000	1,714,800,000	56,500,000	1,750,000,000
From Financial Institution	-	77,750,000	-	77,750,000
From Non Banking Financial Company	72,727,272	60,008,369	66,666,666	131,989,026
<b>Total</b>	<b>103,927,272</b>	<b>1,852,558,369</b>	<b>123,166,666</b>	<b>1,959,739,026</b>

#### Nature of Security :-

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

Term loans from Securitization and Assets Reconstruction Company (ARC) are secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No. 37, Industrial Estate, Dharuhera, District Rewari, Haryana, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No M4, Bahubali Plot No 17, Block 59, Municipal No. 1353/153 New Rohtak Road Delhi 110005, 1<sup>st</sup> pari-passu charge on land and building situated at SP-30A, SP-30B & E-31 RIICO Industrial Area, Village Karoli, PO Khushkhera District Alwar Rajasthan, 1<sup>st</sup> pari-passu charge on land and building situated at 45/14 & 45/17 Prahladpur, Bawana Road New Delhi and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company and pledge of 39,674,457 equity shares out of 110,631,944 equity shares of the company held by Promoters/ Promoters Group Companies. The rate of interest is NIL. The remaining outstanding amount payable as at the year end is repayable in unequal 22 quarterly installments with last installment being payable in September 2025.

##### 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. The rate of interest is 9.5%. This loan is repayable at time of surrender of policy.

##### Term Loan from Non Banking Financial Company

Term loan from Non Banking Financial Company is secured by 1<sup>st</sup> pari-passu charge on present and future fixed assets of the company, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No. 37, Industrial Estate, Dharuhera, District Rewari, Haryana, 1<sup>st</sup> pari-passu charge on land and building situated at Plot No M4, Bahubali Plot No 17, Block 59, Municipal No. 1353/153 New Rohtak Road Delhi 110005, 1<sup>st</sup> pari-passu charge on land and building situated at SP-30A, SP-30B & E-31 RIICO Industrial Area, Village Karoli, PO Khushkhera District Alwar Rajasthan, 1<sup>st</sup> pari-passu charge on land and building situated at 45/14 & 45/17 Prahladpur, Bawana Road New Delhi and 2<sup>nd</sup> pari-passu charge on present and future current assets of the Company. Further they are secured through personal guarantees of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, Directors of the Company. The rate of interest is 16%. This loan is repayable in 33 equal monthly installments starting from 22<sup>nd</sup> May 2019. Last installment due in January 2022.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

Maturity Profile of Borrowings are as set out below :-

(Amount in ₹)

Particulars	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
From Securitisation and Assets Reconstruction Company (ARC)	87,000,000	170,000,000	452,800,000	1,005,000,000
From Financial Institution	-	-	-	77,750,000
From Non Banking Financial Company	60,008,369	-	-	-
<b>Total</b>	<b>147,008,369</b>	<b>170,000,000</b>	<b>452,800,000</b>	<b>1,082,750,000</b>

## 23. Lease Liabilities

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Lease Liability towards right of use assets *	134,534,178	-
<b>Total</b>	<b>134,534,178</b>	<b>-</b>

\*Refer note no 50 of Notes to Financial Statements)

## 24. Provisions

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Provisions for employee benefits</b>		
Provision for Gratuity	19,360,751	13,952,624
Provision for Leave Encashment	5,517,118	11,430,724
	<b>24,877,869</b>	<b>25,383,348</b>

### 24.1 Movement in provisions

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2020		31 <sup>st</sup> March 2019	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
Opening balance	15,409,762	15,671,982	11,953,209	12,642,648
Add: Provision created during the year	6,551,829	2,126,173	3,456,553	3,818,798
Less: Paid during the year	-	(4,354,750)	-	(663,342)
Less: Unused amount written back	-	(6,309,589)	-	(126,122)
<b>Closing Balance</b>	<b>21,961,591</b>	<b>7,133,816</b>	<b>15,409,762</b>	<b>15,671,982</b>
of which, current Provision (Refer Note no 30)	2,600,840	1,616,698	1,457,138	4,241,258

## 25. Borrowings

(Amount in ₹)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Unsecured</b>		
<b>From Related Parties</b>		
Loan From Directors	-	12,250,000
(Repayable on demand, rate of interest @12 % Per annum)	-	-
	<b>-</b>	<b>12,250,000</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 26. Trade Payables

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Total outstanding dues of Micro and Small Enterprises	10,233,318	26,612,148
Total outstanding dues of creditors other than Micro and Small Enterprises	1,082,028,907	1,006,399,423
<b>Total</b>	<b>1,092,262,225</b>	<b>1,033,011,571</b>

26.1 According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Principal Amount remaining unpaid at the end of the year	10,233,318	26,612,148
Interest Amount remaining unpaid at the end of the year	-	-
Amount of Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of Interest due and payable for the period of delay in making payment (in addition to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006)	-	-
Amount of Interest accrued and remained unpaid at the end of the year	-	-
Amount of further Interest remaining due and paid in the succeeding year	-	-
<b>Total</b>	<b>10,233,318</b>	<b>26,612,148</b>

## 27. Lease Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Lease Liability towards right of use lease assets	13,873,015	-
	13,873,015	-

## 28. Other Current Financial Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Current maturities of long term debts (Refer Note No 22)</b>		
From Securitisation and Assets Reconstruction Company (ARC)	31,200,000	56,500,000
From Non Banking Financial Company	72,727,272	66,666,666
Other Financial Liabilities (Includes Expenses payable, salary & bonus payable and interest accrued )	37,290,708	43,244,453
<b>Total</b>	<b>141,217,980</b>	<b>166,411,119</b>

## 29. Other current Liabilities

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Advance from customers	27,736,841	66,071,038
Statutory Dues Payable	9,908,962	6,899,955
<b>Total</b>	<b>37,645,803</b>	<b>72,970,993</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 30. Provisions

Particulars	(Amount in ₹)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Provisions for employee benefits *</b>		
Provision for Gratuity	2,600,840	1,457,138
Provision for Leave Encashment	1,616,698	4,241,258
<b>Total</b>	<b>4,217,538</b>	<b>5,698,396</b>

\*Movement in provisions Refer Note No 24.1

## 31. Revenue from operations

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>a) Sale of Products /Services</b>		
<b>Revenue from contacts with customers</b>		
Sales of Products: -Manufactured goods	5,760,015,909	6,000,956,391
Sales of Services :- Job Work & EPC Contacts	198,580,191	78,208,837
Other Revenue :- Sales of Scrap	93,616,324	55,891,726
<b>b) Other Operating Revenue</b>		
Export benefits	9,817,484	9,576,068
	<b>6,062,029,908</b>	<b>6,144,633,022</b>

### 31.1 Geographical Market -All sales are point in time

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
India	5,790,317,012	5,991,459,321
Outside India	261,895,412	143,597,633
<b>Total Revenue Sale of Products /Services</b>	<b>6,052,212,424</b>	<b>6,135,056,954</b>

### 31.2 Reconciliation of revenue recognized with Contract Price

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Gross revenue recognized during the year	6,055,416,562	6,137,779,569
Less: Discount paid/payable to Customers	(3,204,138)	(2,722,615)
<b>Net revenue recognized during the year</b>	<b>6,052,212,424</b>	<b>6,135,056,954</b>

## 32. Other Income

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Interest on Bank Deposit	16,816,883	17,440,689
Interest Income - Others	5,307,682	8,892,847
Profit on sales of Mutual Funds	145,497	849,403
Exchange Fluctuation (Net)*	4,288,119	3,739,474
Interest Income on fair valuation of Security Deposit	-	1,751,386
Miscellaneous Income	332,650	401,993
	<b>26,890,831</b>	<b>33,075,792</b>

\* Refer Note No 39

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 33. Cost of materials consumed

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Raw Material consumed</b>		
Opening stock	317,866,843	138,294,285
Add: Purchases	4,828,818,304	5,199,149,215
Less: Closing stock	237,424,123	317,866,843
<b>Raw Material consumed</b>	<b>4,909,261,024</b>	<b>5,019,576,657</b>

## 34. Change in Inventories of finished goods, work-in-progress and scrap

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Opening Stock</b>		
- Finished Stock	270,132,731	70,508,995
- Work in Progress	161,205,544	45,133,643
- Scrap	6,978,236	5,710,264
	<b>438,316,511</b>	<b>121,352,902</b>
<b>Less: Closing Stock</b>		
- Finished Stock	557,948,874	270,132,731
- Work in Progress	265,881,620	161,205,544
- Scrap	4,053,607	6,978,236
	<b>827,884,101</b>	<b>438,316,511</b>
<b>Net (Increase)/Decrease in Inventories of finished goods, work-in-progress and scrap</b>	<b>(389,567,590)</b>	<b>(316,963,609)</b>

## 35. Employee Benefits Expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Salaries and wages	186,846,072	154,855,512
Contribution to provident and other funds	18,472,751	11,039,840
Staff Welfare	6,430,840	5,520,305
<b>Total</b>	<b>211,749,663</b>	<b>171,415,657</b>

## 36. Finance Cost

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Interest on Loans	35,837,010	22,261,294
Interest on Bills Discounting & others	52,478,321	54,553,685
Interest on lease liability	13,983,425	-
Other Borrowing Cost	2,192,366	2,790,962
Loan Processing Fees amortized	746,615	155,692
<b>Total</b>	<b>105,237,737</b>	<b>79,761,633</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 37. Depreciation and amortization

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Depreciation on Property Plant and Equipment	85,869,562	84,258,426
Amortization on Intangible Assets	2,705,631	2,134,709
Depreciation on Right of use assets	21,888,215	-
<b>Total</b>	<b>110,463,408</b>	<b>86,393,135</b>

## 38. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Stores, Spares & Consumables	38,128,895	29,870,798
Packing Expenses	146,243,673	135,210,689
Power and Fuel	132,078,833	137,175,239
Rent *	1,810,910	23,677,704
Amortised Cost of Rent on fair valuation of Security Deposit	-	1,501,181
Repair and Maintenance		
- Plant and Machinery	37,458,614	35,470,578
- Building	3,556,253	3,896,645
- Others	2,844,555	1,984,519
Insurance	4,305,079	3,256,824
Rates and Taxes	741,131	590,336
Auditor's Remuneration	1,832,004	1,852,586
Conversion Charges	14,831,535	5,343,892
Labour Charges	129,378,301	114,871,146
Commission and Brokrage	16,192,392	15,727,482
Rebate and Discount	2,090,984	5,498,170
Freight & cartage	141,038,814	116,003,371
Bad Debts written off	4,066,282	150,090,174
Less: Provision for doubtful debts written back	2,348,035	1,718,247
Travelling and Conveyance	33,063,652	149,321,536
Advertisement and Publicity	36,941,537	768,638
Communication Expenses	1,133,073	36,122,006
Loss on sale/disposal of Fixed Assets	5,247,489	1,190,417
Donations	31,415	7,142,279
Professional Charges	1,669,310	40,099
Business Promotion Expenses	82,883,216	2,072,002
Printing and Stationary	36,941,537	92,495,912
Security Charges	5,156,211	29,622,334
Testing Charges	8,441,623	5,085,823
Directors Meeting Fee	8,279,828	8,244,056
Miscellaneous Expenses	2,100,000	7,864,386
	19,112,110	1,200,000
<b>Total</b>	<b>878,309,684</b>	<b>845,928,915</b>

\*Refer note no 50 of Notes to Financial Statements. The adoption of Ind AS 116 with right-of-use asset increased depreciation expenses and interest expenses by ₹ 18,410,335/- and ₹ 13,983,425/-and decreased rent expenses by ₹ 26,666,664/ for the year ended 31<sup>st</sup> March 2020

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 39. 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 2019 and 31<sup>st</sup> March 2020.

#### 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.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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

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

Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	(Amount in ₹)
			Effect on profit/(loss) before tax
<b>For the year ended 31<sup>st</sup> March 2020</b>			
USD	444,562	+ 5%	1,648,553
		-5%	(1,648,553)
Euro	11,224	+ 5%	44,761
		-5%	(44,761)
GBP	137,413	+ 5%	633,474
		-5%	(633,474)
<b>For the year ended 31<sup>st</sup> March 2019</b>			
USD	(190,416)	+ 5%	(662,121)
		-5%	662,121
GBP	287,611	+ 5%	1,282,101
		-5%	(1,282,101)

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

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Net Foreign Exchange gain shown as other income	4,288,119	3,739,474

(b) *Interest rate risk and sensitivity*

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at fixed rate and hence, there is no interest risk sensitivity. Weighted average cost of borrowing is 13.79% for the year ended 31<sup>st</sup> March 2020 (13.70% for the year ended 31<sup>st</sup> March 2019) excluding borrowings which are assigned/negotiated with banks with no interest liability.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 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 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	
<b>As at 31<sup>st</sup> March 2020</b>					
<b>Trade receivable</b>					
Unsecured	1,225,496,045	722,770,147	43,935,260	79,974,987	2,072,176,439
Significant increase in credit risk	-	-	-	55,061,406	55,061,406
<b>Gross Total</b>	<b>1,225,496,045</b>	<b>722,770,147</b>	<b>43,935,260</b>	<b>135,036,393</b>	<b>2,127,237,845</b>
Credit Impaired	-	-	-	55,061,406	55,061,406
<b>Net Total</b>	<b>1,225,496,045</b>	<b>722,770,147</b>	<b>43,935,260</b>	<b>79,974,987</b>	<b>2,072,176,439</b>
<b>As at 31<sup>st</sup> March 2019</b>					
<b>Trade receivable</b>					
Unsecured	1,413,080,976	602,460,491	49,046,436	69,796,488	2,134,384,391
Significant increase in credit risk	-	-	-	57,409,442	57,409,442
<b>Gross Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>127,205,930</b>	<b>2,191,793,833</b>
Credit Impaired	-	-	-	57,409,442	57,409,442
<b>Net Total</b>	<b>1,413,080,976</b>	<b>602,460,491</b>	<b>49,046,436</b>	<b>69,796,488</b>	<b>2,134,384,391</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Liquidity risk

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

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

(Amount in ₹)

Particulars	Carrying Amount	On demand	Ageing as on 31 <sup>st</sup> March 2020			Total
			< 6 months	6-12 months	> 1 years	
Borrowings	1,956,485,641	-	41,563,636	62,363,636	1,852,558,369	1,956,485,641
Trade payable	1,092,262,225	-	1,092,262,225	-	-	1,092,262,225
Other liabilities	74,936,511	-	74,936,511	-	-	74,936,511
<b>Total</b>	<b>3,123,684,377</b>	-	<b>1,208,762,372</b>	<b>62,363,636</b>	<b>1,852,558,369</b>	<b>3,123,684,377</b>
Ageing as on 31 <sup>st</sup> March 2019						
Borrowings	2,095,155,692	-	69,553,030	65,863,636	1,959,739,026	2,095,155,692
Trade payable	1,033,011,571	-	1,033,011,571	-	-	1,033,011,571
Other liabilities	116,215,446	-	116,215,446	-	-	116,215,446
<b>Total</b>	<b>3,244,382,709</b>	-	<b>1,218,780,047</b>	<b>65,863,636</b>	<b>1,959,739,026</b>	<b>3,244,382,709</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.

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

The Gearing ratio for FY 2019-20 and 2018-19 is an under.

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Loans and borrowings	1,956,485,641	2,095,155,692
Less: cash and cash equivalents	15,252,769	19,364,771
Net debt	1,941,232,872	2,075,790,921
Equity	1,821,441,106	1,414,189,374
Total capital	3,762,673,978	3,489,980,295
Gearing ratio	51.59%	59.48%

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

#### 40. 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.

##### 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.

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 2020

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:

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	259,072,720	259,072,720	237,057,991	237,057,991
Cash and bank balances	15,252,769	15,252,769	19,364,771	19,364,771
Investment	1	1	1	1
Trade and other receivables	2,080,110,635	2,080,110,635	2,138,779,069	2,138,779,069
Other financial assets	66,744,013	66,744,013	55,809,538	55,809,538
	<b>2,421,180,138</b>	<b>2,421,180,138</b>	<b>2,451,011,370</b>	<b>2,451,011,370</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	1,956,485,641	1,956,485,641	2,095,155,692	2,095,155,692
Trade & other payables	1,092,262,225	1,092,262,225	1,033,011,571	1,033,011,571
Other financial liabilities	37,290,708	37,290,708	43,244,453	43,244,453
	<b>3,086,038,574</b>	<b>3,086,038,574</b>	<b>3,171,411,716</b>	<b>3,171,411,716</b>

## Assets / Liabilities for which fair value is disclosed at amortised cost

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March 2020		
	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
Borrowings- fixed rate		1,956,485,641	
Other financial liabilities		37,290,708	
	As at 31 <sup>st</sup> March 2019		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		2,095,155,692	
Other financial liabilities		43,244,453	

During the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020, 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 2020

Following table describes the valuation techniques used and key inputs to valuation for level 2

31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020, respectively:

**a) Assets / Liabilities for which fair value is disclosed at amortised cost**

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

## 41. 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.

## 42. Defined Contribution Plan

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

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Company's contribution to provident fund	11,920,922	7,583,287
	<b>11,920,922</b>	<b>7,583,287</b>

**(b) Defined Benefit Plan**

It consists of Gratuity and leave encashment.

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 2019 and 31<sup>st</sup> March 2020, being the respective measurement dates:

**(c) Movement in obligation**

Particulars	Gratuity (funded)	Leave encashment (unfunded)
<b>Present value of obligation - 1<sup>st</sup> April 2018</b>	<b>35,705,936</b>	<b>12,642,648</b>
Current service cost	2,663,358	2,870,599
Interest cost	2,498,619	948,199
Benefits paid	(4,782,030)	(663,342)
Remeasurements - actuarial loss/ (gain)	(96,158)	(126,122)
<b>Present value of obligation - 31<sup>st</sup> March 2019</b>	<b>35,989,725</b>	<b>15,671,982</b>
<b>Present value of obligation - 1<sup>st</sup> April 2019</b>	<b>35,989,725</b>	<b>15,671,982</b>
Current service cost	3,378,217	982,118
Interest cost	2,728,021	1,144,055
Benefits paid	-	(6,309,589)
Remeasurements - actuarial loss/ (gain)	2,002,386	(4,354,750)
<b>Present value of obligation - 31<sup>st</sup> March 2020</b>	<b>44,098,349</b>	<b>7,133,816</b>

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## (d) Movement in Plan Assets – Gratuity

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Fair value of plan assets at beginning of year	20,579,963	23,752,726
Expected return on plan assets	1,646,397	1,619,218
Employer contributions	-	-
Benefits paid	-	(4,782,030)
Actuarial gain / (loss)	(89,602)	(9,951)
<b>Fair value of plan assets at end of year</b>	<b>22,136,758</b>	<b>20,579,963</b>
Present value of obligation	(44,098,349)	(35,989,725)
Net funded status of plan	22,136,758	20,579,963
<b>Actual return on plan assets</b>	<b>(21,961,591)</b>	<b>(15,409,762)</b>

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

## (e) Recognised in profit and loss

(Amount in ₹)

Particulars	Gratuity	leave encashment
Current Service cost	2,663,358	2,870,599
Interest cost	879,401	948,199
Remeasurement - Actuarial loss/(gain)	-	(126,122)
<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>3,542,759</b>	<b>3,692,676</b>
Current Service cost	3,378,217	982,118
Interest cost	1,081,624	1,144,055
Remeasurement - Actuarial loss/(gain)	407	(6,309,589)
<b>For the year ended 31<sup>st</sup> March 2020</b>	<b>4,460,248</b>	<b>(4,183,416)</b>

## (f) Recognised in other comprehensive income

(Amount in ₹)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended 31<sup>st</sup> March 2019</b>	<b>(86,207)</b>
Remeasurement - Actuarial loss/(gain)	
<b>For the year ended 31<sup>st</sup> March 2020</b>	<b>2,091,581</b>

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

(Amount in ₹)

Weighted average actuarial assumptions	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Attrition rate	10% PA	10% PA
Discount Rate	6.74% PA	7.58% PA
Expected Rate of increase in salary	7.50% PA	7.58% PA
Expected Rate of Return on Plan Assets	7.5 % PA	7.5 % PA
Mortality rate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Expected Average remaining working lives of employees (years)	16.65 years	16.73 years

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

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.

(h) **Sensitivity analysis:**

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

(Amount in ₹)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumption	Effect on leave encashment obligation
Discount rate	+ 1%	33,172,021	+ 1%	15,040,214
	- 1%	39,234,637	- 1%	16,364,306
Salary Growth rate	+ 1%	39,116,420	+ 1%	16,346,524
	- 1%	33,222,164	- 1%	15,044,124
Attrition Rate	+ 1%	36,021,661	+ 1%	
	- 1%	35,952,143	- 1%	

**For the year ended 31<sup>st</sup> March 2020**

Particulars	change in Assumption	Effect on Gratuity obligation	change in Assumption	Effect on leave encashment obligation
Discount rate	+ 1%	<b>40,253,845</b>	+ 1%	<b>6,805,754</b>
	- 1%	<b>48,599,772</b>	- 1%	<b>7,496,647</b>
Salary Growth rate	+ 1%	<b>48,344,258</b>	+ 1%	<b>7,484,143</b>
	- 1%	<b>40,333,288</b>	- 1%	<b>6,810,399</b>
Attrition Rate	+ 1%	<b>43,925,471</b>	+ 1%	
	- 1%	<b>44,098,349</b>	- 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.

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

(Amount in ₹)

Particulars	Gratuity
1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	2,600,840
1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	4,314,997
1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	5,019,537
1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2024	1,691,661
1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2025	2,996,329
1 <sup>st</sup> April 2025 Onwards	13,073,288

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

(Amount in ₹)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Gratuity	<b>44,098,349</b>	35,989,725
Leave encashment	<b>7,133,816</b>	15,671,982
<b>Total</b>	<b>51,232,165</b>	<b>51,661,707</b>

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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

### (k) Current and non-current provision for Gratuity and leave encashment

For the year ended 31 <sup>st</sup> March 2019		(Amount in ₹)	
Particulars	Gratuity	Leave Encashment	
Current provision	1,457,138	4,241,258	
Non current provision	13,952,624	11,430,724	
<b>Total Provision</b>	<b>15,409,762</b>	<b>15,671,982</b>	

For the year ended 31 <sup>st</sup> March 2020		
Particulars	Gratuity	Leave Encashment
Current provision	<b>2,600,840</b>	<b>1,616,698</b>
Non current provision	<b>19,360,751</b>	<b>5,517,118</b>
<b>Total Provision</b>	<b>21,961,591</b>	<b>7,133,816</b>

### (l) Employee benefit expenses

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Salaries and Wages	<b>186,846,072</b>	154,855,512
Costs-defined contribution plan	<b>18,472,751</b>	11,039,840
Welfare expenses	<b>6,430,840</b>	5,520,305
<b>Total</b>	<b>211,749,663</b>	<b>171,415,657</b>

#### 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 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.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 43. Other disclosures

### (a) Auditors Remuneration (Excluding applicable taxes i.e. GST)

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Auditors Remuneration</b>		
Audit Fee	1,550,000	1,550,000
Tax Audit Fee	150,000	150,000
Taxation Matters	50,000	50,000
Certification	50,000	50,000
Out of Pocket Expenses	32,004	52,586
<b>Total</b>	<b>1,832,004</b>	<b>1,852,586</b>

### (b) Disclosure U/S 186(4) of the Companies Act 2013.

- Details of Investment made are given in Note No 8 of Financial statements.
- No loans and guarantees are given u/s 186 (4) of the Companies Act 2013

### (c) Corporate Social Responsibility Expenses Provision

In view of earlier years accumulated losses, company was not required to spend any amount on Corporate social responsibility activities during the current and previous year.

## 44. Contingent liabilities

### i) Guarantees

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Financial Bank Guarantees outstanding	35,638,392	29,217,475
Performance Bank Guarantees outstanding	223,813,748	209,107,272
	<b>259,452,140</b>	<b>238,324,747</b>

### ii) Duties & Taxes

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Income Tax		
- Demands under appeal	10,753,256	-
Excise demands under appeal	-	21,136,416
Service Tax demands under appeal	-	21,454,859
Custom duty demand due to denial of concessional custom duty, under appeal	1,312,721	1,312,721
	<b>12,065,977</b>	<b>43,903,996</b>

### iii) Other contingent liabilities

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Outstanding Bill discounted	160,820,359	124,714,482
Claims Against the Company not acknowledged as Debt	-	2,580,254

# Notes to Consolidated Financial Statements

## for the year ended 31<sup>st</sup> March 2020

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.

### 45. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Property, Plant & Equipment	6,883,159	19,413,561

### 46. Taxation

- (i) As a matter of prudence, Deferred tax Assets has not been recognized on brought forwarded losses and other timing differences. Further there is no reasonable certainty to set off the same within the period allowable under tax laws.
- (ii) Current tax: In view of brought forwarded losses, no provision for current tax is required to be made.

### 47. Related party transactions

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

#### Related party name and relationship

- a) **Other related parties in the Group where common control exists:**  
Paramount Telecables Limited
- b) **Key Management Personnel**  
Shri Sanjay Aggarwal, Chairman and CEO  
Shri Sandeep Aggarwal, Managing Director  
Shri Shambhu Kumar Agarwal, Chief Financial Officer  
Mrs. Tannu Sharma, Company Secretary -till 31<sup>st</sup> May 2019  
Mrs. Rashi Goel, Company Secretary -from 01<sup>st</sup> June 2019
- c) **Relatives of Key Managerial Personnel with whom transactions have taken place:**  
Mrs. Shashi Aggarwal  
Mrs. Archana Aggarwal  
Mrs. Kamala Aggarwal  
Sanjay Aggarwal (HUF)  
Sandeep Aggarwal (HUF)  
Dhruv Aggarwal  
Tushar Aggarwal  
Parth Aggarwal
- d) **Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:**  
Valens Technologies Private Limited  
Valens Resizones Projects LLP

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Related Party Transactions:

Description	Current Year 2019-20				Previous Year 2018-19				(Amount in ₹)
	Other related parties in the Group where common control exists:	Key Management Personnel	Relatives of Key Managerial Personnel with whom transactions have taken place:	Enterprises where 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:	Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:	
<b>I Lease Rent Paid</b>									
Paramount Telecables Limited	26,666,664	-	-	-	22,166,664	-	-	-	-
<b>II Loan received from Directors</b>									
Mr. Sanjay Aggarwal	-	5,800,000	-	-	-	-	-	-	-
Mr. Sandeep Aggarwal	-	4,000,000	-	-	-	-	-	-	-
<b>III Loan Repaid to Directors</b>									
Mr. Sanjay Aggarwal	-	10,550,000	-	-	-	43,675,195	-	-	-
Mr. Sandeep Aggarwal	-	11,500,000	-	-	-	35,539,792	-	-	-
<b>IV Interest on Loans</b>									
Mr. Sanjay Aggarwal	-	837,757	-	-	-	1,911,627	-	-	-
Mr. Sandeep Aggarwal	-	1,000,193	-	-	-	2,054,405	-	-	-
<b>V Amount Paid (TDS on Interest)</b>									
Mr. Sanjay Aggarwal	-	93,084	-	-	-	212,403	-	-	-
Mr. Sandeep Aggarwal	-	111,132	-	-	-	228,267	-	-	-
<b>VI Purchases</b>									
Valens Technologies Private Limited	-	-	-	4,724,722	-	-	-	-	-
<b>VII Sales</b>									
Valens Technologies Private Limited	-	-	-	100,000	-	-	-	-	-
<b>VIII Equity Shares Allotment including share premium</b>									
Mr. Sanjay Aggarwal	-	-	-	-	-	53,654,160	-	-	-
- Mr. Sandeep Aggarwal	-	-	-	-	-	53,654,160	-	-	-
Paramount Telecables Limited	73,575,000	-	-	-	44,666,020	-	-	-	-
Mrs. Shashi Aggarwal	-	-	-	-	-	-	19,456,500	19,456,500	-
Mrs. Archana Aggarwal	-	-	-	-	-	-	19,334,420	19,334,420	-
Mrs. Kamala Aggarwal	-	-	-	4,905,000	-	-	32,522,951	32,522,951	-
Shyam Sunder Aggarwal (HUF)	-	-	-	-	-	-	4,196,500	4,196,500	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

Description	Current Year 2019-20				Previous Year 2018-19				(Amount in ₹)
	Other related parties in the Group where common control exists:	Key Management Personnel	Key Management Personnel with whom transactions have taken place:	Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:	Other related parties in the Group where common control exists:	Key Management Personnel	Key Management Personnel with whom transactions have taken place:	Enterprises where Relatives of Key Managerial Personnel with whom transactions have taken place:	
Nature of transactions									
Sanjay Aggarwal (HUF)	-	-	14,224,500	-	-	-	12,391,120	12,391,120	-
Sandeep Aggarwal (HUF)	-	-	-	-	-	-	19,544,169	19,544,169	-
Mr. Dhruv Aggarwal	-	-	14,224,500	-	-	-	-	-	-
Mr. Tushar Aggarwal	-	-	14,224,500	-	-	-	-	-	-
<b>IX Share Application Money Received</b>									
Mr. Sanjay Aggarwal	-	10,578,000	-	-	-	-	-	-	-
Mr. Sandeep Aggarwal	-	10,578,000	-	-	-	-	-	-	-
Mr. Parth Aggarwal	-	-	3,567,000	-	-	-	-	-	-
<b>X Remuneration to Key Managerial Personnel (KMP)</b>									
Mr. Sanjay Aggarwal, Chairman and CEO	-	17,819,134	-	-	-	5,839,739	-	-	-
Mr. Sandeep Aggarwal, Managing Director	-	17,791,084	-	-	-	5,763,719	-	-	-
Mr. Shambhu Kumar Aggarwal, Chief Financial Officer	-	3,124,861	-	-	-	2,770,786	-	-	-
Mrs. Tannu Sharma, Company Secretary	-	89,698	-	-	-	752,231	-	-	-
Mrs. Rashmi Goel, Company Secretary	-	832,546	-	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Related Party Balances:

(Amount in ₹)

Description	Current Year 2019-20			Previous Year 2018-19		
	Other related parties in the Group where common control exists:	Key Management Personnel whom transactions have taken place:	Relatives of Key Managerial Personnel with whom transactions have taken place:	Other related parties in the Group where common control exists:	Key Management Personnel whom transactions have taken place:	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	-	-
II Loan outstanding at the year end	-	-	-	-	12,250,000	-
III Advance given balance outstanding as at year end	-	-	-	-	-	-
Paramount Telecables Limited	2,228,000	-	-	-	-	-
Valens Resizone Projects LLP	-	-	3,850,440	-	-	-

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## Remuneration to Key Managerial Personnel (KMP)

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Short-Term employee benefits*	34,930,285	13,410,240
Post-Employment benefits		
- Defined contribution plan\$	3,642,233	1,186,706
- Defined benefit plan#	1,084,805	529,529
<b>Total</b>	<b>39,657,323</b>	<b>15,126,475</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

## 48. Earnings per share

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

Particulars	Number of shares	
	Year ended March 2020	Year Ended March 2019
<b>Number of Equity Shares at the beginning of the year</b>	<b>171,783,965</b>	<b>142,902,465</b>
Add: Weighted average number of equity shares issued during the year	947,397	12,342,466
Add: Weighted average no of Equity Shares for FCCB	-	11,881,500
<b>Weighted average number of Equity shares for Basic EPS (A)</b>	<b>172,731,362</b>	<b>167,126,431</b>
Add: Weighted average number of Potential equity share for outstanding convertible share warrents.	751,438	-
<b>Weighted average number of equity shares for Diluted EPS (B)</b>	<b>173,482,801</b>	<b>167,126,431</b>

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

Particulars	Year Ended	
	March 2020	March 2019
Net Profit after Taxation (₹)	263,466,813	291,596,426
Basic Earnings per Share (₹)	1.53	1.74
Diluted Earnings per Share (₹)	1.52	1.74
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 Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

## 49. 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

## 50. Leases

The impact of Ind AS 116 on the company's financial statements at 31<sup>st</sup> March 2020 is as follows:

**Balance sheet:** The adoption of Ind AS 116 results in an increase in total assets of ₹ 418,984,084/- as right-of-use assets and decrease in property plant & equipment by ₹ 279,781,867/-. Financial liabilities have increased by ₹ 148,407,193 as Lease Liability and net equity decreases by ₹ 5,727,096/-.

# Notes to Consolidated Financial Statements

for the year ended 31<sup>st</sup> March 2020

**Statement of profit and loss:** The adoption of Ind AS 116 results in increase in depreciation on right-of-use assets by ₹ 18,410,335/- and increase in finance costs by ₹ 13,983,425/- due to recognition of interest expense on lease liabilities. Rent expenses were reduced by ₹ 26,666,664/-, resulting in an overall net reduction of profit before taxes of ₹ 5,727,096/-.

**Statement of cash flows:** The adoption of Ind AS 116 results in increase in operating cash flows by ₹ 5,727,096/- as depreciation and related interest is in excess of rent paid.

Expenses relating to short-term leases and low value assets have been disclosed under rent in note 38.

**51.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

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

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

**Pawan Bholusaria**  
Partner (M.No.: 80691)  
UDIN: 20080691AAAABF9034  
Place : New Delhi  
Date : 14<sup>th</sup> July 2020

#### For and on behalf of the Board

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

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

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

**(Rashi Goel)**  
Company Secretary  
Mem No.: FCS 9577

# Notice

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING ("AGM") OF PARAMOUNT COMMUNICATIONS LIMITED will be held on WEDNESDAY 30<sup>th</sup>, SEPTEMBER 2020 at 4.30 p.m., Indian Standard Time ("IST"), through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility to transact following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year 2020 including balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended 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 BUSINESS:

3. **Re-appointment of Mrs. Malini Gupta as Independent Director for another term of five years**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mrs. Malini Gupta (DIN 03464410), be and is hereby re-appointed as an Independent Non-Executive Director of the Company with effect from 1<sup>st</sup> April 2020, to hold office for a term of five consecutive years i.e. upto 31<sup>st</sup> March 2025.

4. **Appointment of Mrs. Praveena Kala as Independent Director for a term of five years**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mrs. Praveena Kala (DIN :08765830), who was appointed as an Additional Director of the Company with effect from 14<sup>th</sup> July, 2020 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term up to five consecutive years commencing from 14<sup>th</sup> July, 2020 up to 13<sup>th</sup> July, 2025."

5. **Re-appointment of Mr. Sanjay Aggarwal as Whole-time Director, to be designated as the Chairman & CEO of the Company.**

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

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee of the Board and Board of Directors and provisions of Sections 196, 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable law(s), regulations(s) and guidelines(s), the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sanjay Aggarwal (DIN:00001788) as Whole Time Director, to be designated as Chairman & CEO of the Company for a period of three years with effect from 1<sup>st</sup> March, 2021 to 29<sup>th</sup> February, 2024 on the terms and conditions set out here below and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Sanjay Aggarwal.

<b>Period</b>	With effect from 1 <sup>st</sup> March 2021 to February 29, 2024
<b>Remuneration</b>	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service

RESOLVED FURTHER THAT Mr. Sandeep Aggarwal, Managing Director and Company Secretary of the Company be and are hereby severally authorised to sign and file all the necessary applications, documents, inter alia, with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto."

**6. Re-appointment of Mr. Sandeep Aggarwal as Managing Director of the Company.**

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

"RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee of the Board and Board of Directors and provisions of Sections 196, 197 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable law(s), regulations(s) and guidelines(s), the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Sandeep Aggarwal ( DIN:00002646) as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> March, 2021 to 29th February, 2024 on the terms and conditions set out here below and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Sandeep Aggarwal.

<b>Period</b>	With effect from 1 <sup>st</sup> March, 2021 to February 29, 2024
<b>Remuneration</b>	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/- per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service

RESOLVED FURTHER THAT Mr. Sanjay Aggarwal, Whole time Director and Company Secretary of the Company be and are hereby severally authorised to sign and file all the necessary applications, documents, inter alia, with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient for the purpose of giving effect to the above resolution and for matters connected herewith or incidental hereto.

**7. Ratification of Remuneration of M/s Jain Sharma & Associates, Cost Accountant for the financial year 2020-21**

To consider and if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. Jain Sharma & Associates, Cost Accountants, to conduct the audit of the cost accounts maintained by the Company for the financial year ending 31<sup>st</sup> March 2021 be paid remuneration of ₹ 50,000/- (Rupees Fifty Thousand only) plus Goods and Services Tax and out of pocket expenses, in performance of their duties.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this Resolution.

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

(Rashi Goel)  
Company Secretary &  
Compliance officer  
M. No.: FCS9577

Place: New Delhi  
Dated: August 28, 2020

**NOTES:**

- (1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- (2) Since this AGM is being held pursuant to the Circular issued by Ministry of Corporate Affairs having circular no. 20/2020 dated May 05, 2020 read alongwith MCA circular dated April 08, 2020, and April 13, 2020 and SEBI circular dated May 12, 2020 this AGM is being held through VC / OAVM, where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (3) Corporate Members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer at its email **abhisheks21@gmail.com** with a copy marked to the Company at **investors@paramountcables.com** and to its RTA at **enotices@linkintime.co.in**
- (4) In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
- (5) The Register of Members and Share Transfer Books will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive).
- (6) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 23, 2020, i.e., the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the resolutions set forth in this Notice.
- (7) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at **enotices@linkintime.co.in**. However, if he/she is already registered with e-Voting system of LIPL: <https://instavote.linkintime.co.in> for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- (8) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members who have not registered their e-mail address are requested to register the same by clicking on the link: [http://linkintime.co.in/emailreg/email\\_register.html](http://linkintime.co.in/emailreg/email_register.html). In case of any assistance, the members are requested to write an email to link Intime at **rnt.helpdesk@linkintime.co.in**
- (9) Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>
- (10) Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors seeking appointment / re-appointment at the AGM is attached as Annexure forming part of this Notice.
- (11) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses specified under Item No. 3 to Item No. 7 are annexed hereto.
- (12) All documents referred to in the Notice and accompanying Explanatory Statement, as well as the Annual Report, are open for inspection at the Registered Office of the Company on all working days during normal business hours up to the date of the Meeting.
- (13) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- (14) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("the Act"), Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents required by the Act and any other law, will be made available electronically for inspection by Members of the Company at the meeting.
- (15) Members holding shares in physical form are requested to notify change of address, if any, to the Registrar and Transfer Agent M/s. Link Intime India Private Limited, Noble Heights, 1<sup>st</sup> Floor, Plot No. NH-2, C-1 Block, LSC, Janakpuri, New Delhi-110058, Ph:- +91-11-41410592/93/94, Fax:- +91-11-41410591, E-mail:- [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in), website: [www.linkintime.co.in](http://www.linkintime.co.in) and / or the Company Secretary or to their respective depository participants if the shares are held in electronic form.
- (16) The Securities and Exchange Board of India vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and BSE Circular Ref. No. LIST/COMP/15/2018-19 dated July 05, 2018 and NSE Circular Ref. No. NSE/CML/2018/26 dated July 09, 2018, as modified by the Securities and Exchange Board of India vide its Circular No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which mandated that transfer of securities with effect from April 01, 2019 would be in dematerialized form only. Members holding shares in physical form are requested to take necessary steps with their respective Depository Participants to dematerialize their physical shares.
- (17) Any Member desirous of receiving any information on the Financial Statements of the Company are requested to write to the Company at least 7 working days prior to the AGM through e-mail on [investors@paramountcables.com](mailto:investors@paramountcables.com), The same shall be replied by the Company suitably.
- (18) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Transfer Agents.
- (19) The remote e-voting period will commence at 9.00 a.m. on Sunday, September 27, 2020 and will end at 5.00 p.m. on Tuesday, September 29, 2020.
- (20) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- (21) **Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:**
- (a) Members are entitled to attend the Annual General Meeting through VC/OAVM platform "InstaMeet" provided by the Registrar and Transfer Agent, Link Intime Private Limited by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- Members are requested to participate on first come first serve basis as participation through VC/OAVM will be closed on expiry of 15 (Fifteen) minutes from the scheduled time of the Annual General Meeting. Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join at 4:15 P.M. IST i.e. 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (Fifteen) minutes after the schedule time.
- The details of the process to register and attend the AGM are as under:**
- (1) Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
- Select the "**Company**" and '**Event Date**' and register with your following details: -
- (A) **Demat Account No. or Folio No.:** Enter your 16 digit Demat Account No. or Folio No.
- Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Members holding shares in physical form shall provide Folio Number registered with the Company.

- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable)
- C. **Mobile No.:** Enter your mobile number.
- D. **Email ID:** Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

**(B) Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on email id-[investors@paramountcables.com](mailto:investors@paramountcables.com) created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
6. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**(C) Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.

3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

(D) Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

(E) Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

(F) Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

(G) Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

(H) In case shareholders/members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**22. Remote e-Voting Instructions for shareholders:**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details: -
  - A. **User ID:** Enter your User ID
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company
  - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
  - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
    - Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
    - Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click **“confirm”** (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under **‘SHARE HOLDER’** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **‘Submit’**.
4. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **‘Favour / Against’** (If you wish to view the entire Resolution details, click on the **‘View Resolution’** file link).
7. After selecting the desired option i.e. Favour / Against, click on **‘Submit’**. A confirmation box will be displayed. If you wish to confirm your vote, click on **‘Yes’**, else to change your vote, click on ‘No’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **‘Custodian / Mutual Fund / Corporate Body’**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **‘Custodian / Mutual Fund / Corporate Body’** login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

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

**Item No 3.**

Mrs. Malini Gupta is an Independent Non-Executive Director of the Company and chairman of the Stakeholder Relationship Committee of the Board of Directors of the Company. She joined the Board of Directors of the Company in the year 2015. Pursuant to the Act, Mrs. Malini Gupta was appointed as an Independent

Non-Executive Director to hold office for five consecutive years for a term up to 31<sup>st</sup> March, 2020, by the Members of the Company in the 21<sup>st</sup> AGM held on 24<sup>th</sup> September, 2015. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mrs. Malini Gupta , being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 1st April, 2020 up to 31<sup>st</sup> March, 2025.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has included her name in the Independent Directors Databank. She has also given her consent to continue to act as Director of the Company, if so, appointed by the members.

Copy of the draft letter for appointment of Mrs. Malini Gupta as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (11:00 am to 1:00 pm) on any working day, except Saturday, up to and including the date of AGM of the Company

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mrs. Malini Gupta as an Independent Director for another term of five consecutive years with effect from 1st April, 2020 to 31<sup>st</sup> March, 2025, for the approval by the shareholders of the Company.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives except Mrs. Malini Gupta are in any way concerned or interested, financially or otherwise in the resolution.

**Item No 4**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, on 14th July 2020, appointed Mrs. Praveena Kala (DIN: 08765830) ("Mrs. P. Kala") as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office from 14<sup>th</sup> July 2020 to 13th July 2025. Her appointment is subject to the approval of the Members.

Mrs. P. Kala aged 60 years, master's in physics from Lucknow University. Mrs P. Kala retired as the Chief General Manager of State bank of India, Bhubaneshwar Circle on 31st May 2020. She has also served as a member of Local Board of SBI Bhubaneshwar Circle, Odisha State Financial Corporation & Institute of Entrepreneurship Development Odisha and has over 30 years of the experience on leadership positions in National and International Banking operations in State Bank of India. She has been associated with RBI Business Re-Engineering Committee as a member and a keynote speaker in various banking conclaves.

Mrs. P. Kala does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Mrs. P. kala has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and has included her name in the Independent Directors Databank and passed the online proficiency self-assessment test conducted by the Institute.

In the opinion of the Board, Mrs. P. Kala fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for her appointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. P. Kala as an Independent Non-Executive Director for a term of five consecutive years from 14<sup>th</sup> July 2020 to 13<sup>th</sup> July 2025. Mrs. P. Kala would bring with her immense experience to the Company in the areas of financial reporting and analysis, accounting, business strategy, internal control and tax advisory. Accordingly, based on recommendation of Nomination and Remuneration Committee, the Board recommends Special Resolution as set out at Item No. 4 of the accompanying Notice of 26<sup>th</sup> AGM for the approval by the Members.

Except Mrs. P. Kala , being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of 26<sup>th</sup> AGM.

Mrs. P. Kala is not related to any Director of the Company.

#### Item No 5

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Sanjay Aggarwal (DIN: 00001788) as Whole Time Director, designated as Chairman & CEO of the Company for a period of three consecutive years with effect from 1<sup>st</sup> March

2018 until 28<sup>th</sup> February 2021 was approved by the shareholders by means of postal ballot / electronic voting (e-Voting) on 20<sup>th</sup> April 2018. Based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, the Board of Directors of the Company at its meeting held on 14<sup>th</sup> July 2020, approved re-appointment of Mr. Sanjay Aggarwal as Whole Time Director, designated as Chairman & CEO of the Company for another term of three consecutive years effective from 1<sup>st</sup> March 2021 until 29<sup>th</sup> February 2024 on the terms and conditions as set out in the resolution under Item No. 5

Mr. Sanjay Aggarwal, aged 57 years, holds a Bachelor's Degree in Commerce from Shri Ram College of Commerce, Delhi University. He is one of the Promoter Director and is associated with the Company since inception. He has over 30 years of rich and exhaustive experience in the Cable Industry and has associated with various apex Industrial Associations and Industry Forums in India in different capacities.

The detailed terms and conditions of reappointment of Mr. Sanjay Aggarwal and remuneration payable to him are set out in resolution under Item No. 05.

Mr. Sanjay Aggarwal has given consent letter in Form DIR-2, intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) of the Companies Act, 2013 to act as a Director(s) and intimation to the effect that they are not disqualified from being appointed as a Director(s) of a listed entity by virtue of any SEBI order or any such authority, as per instructions given by SEBI and circulated to the Companies by BSE vide its circular No. LIST/COMP/14/2018-19 and NSE vide its circular Ref No. NSE/CML/2018/24 dated June 20, 2018 respectively.

Notice have been received from member signifying their intention to propose re-appointment of Mr. Sanjay Aggarwal as Whole-time Director designated as Chairman & CEO along with a deposit of ₹ 1,00,000/- each.

Approval of the Members is being sought by way of special resolution to the terms, conditions and stipulations for the re-appointment of Mr Sanjay Aggarwal as Whole Time Director, designated as Chairman & CEO of the Company.

Except Mr. Sanjay Aggarwal , being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of 26<sup>th</sup> AGM.

#### Item No 6

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr. Sandeep Aggarwal (DIN: 00002646) as Managing Director of the Company for a period of three consecutive years with effect from 1<sup>st</sup> March 2018 until 28<sup>th</sup> February 2021 was

approved by the shareholders by means of postal ballot / electronic voting (e-Voting) on 20th April 2018. Based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, the Board of Directors of the Company at its meeting held on 14<sup>th</sup> July 2020, approved re-appointment of Mr. Sandeep Aggarwal as Managing Director of the Company for another term of three consecutive years effective from 1<sup>st</sup> March 2021 until 29<sup>th</sup> February 2024 on the terms and conditions as set out in the resolution under Item No. 6

Mr. Sandeep Aggarwal, aged 56 years, holds a Bachelor's Degree in Economics from Shri Ram College of Commerce, Delhi University. He is one of the Promoter Director and is associated with the Company since inception. He has vast experience and knowledge of the Cable Industry. With his innovative leadership and management approach, he is actively involved in all major activities of the Company.

The detailed terms and conditions of reappointment of Mr. Sandeep Aggarwal and remuneration payable to him are set out in resolution under Item No. 06.

Mr. Sandeep Aggarwal has given consent letter in Form DIR-2, intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) of the Companies Act, 2013 to act as a Director(s) and intimation to the effect that they are not disqualified from being appointed as a Director(s) of a listed entity by virtue of any SEBI order or any such authority, as per instructions given by SEBI and circulated to the Companies by BSE vide its circular No. LIST/COMP/14/2018-19 and NSE vide its circular Ref No. NSE/CML/2018/24 dated June 20, 2018 respectively.

Notice have been received from member signifying their intention to propose re-appointment of Mr. Sandeep Aggarwal as Whole-time Director designated as Chairman & CEO along with a deposit of ₹ 1,00,000/- each.

Approval of the Members is being sought by way of special resolution to the terms, conditions, and stipulations for the re-appointment of Mr Sandeep Aggarwal as Managing Director of the Company.

Except Mr. Sandeep Aggarwal , being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of 26<sup>th</sup> AGM.

#### **Item No 7**

The Board of Directors at their meeting held on 14<sup>th</sup> July, 2020, 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 2020-21 and also fixed their remuneration for the said purpose of ₹ 50,000/- (Rupees Fifty Thousand Only) and out of pocket expenses plus Taxes thereon.

Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the Directors, Key Managerial Personnel or any of their relatives is concerned or interested, financially or otherwise, in this resolution.

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

**(Rashi Goel)**

Company Secretary &  
Compliance officer  
M. No.: FCS9577

Place: New Delhi  
Dated: August 28, 2020

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:

**I. GENERAL INFORMATION**

S. No	Particulars	Details																						
1.	Nature of industry	Manufacturers of wires and cables.																						
2.	Date or expected date of commencement of commercial production	The Company was incorporated in the year 1994 and is into commercial production since then.																						
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																						
4.	Financial performance based on given indicators (as per Audited statement for the year ended 31.03.2020)	<table border="1"> <thead> <tr> <th>Particulars</th> <th>(₹ in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Gross Turnover including Other Income</td> <td>60889</td> </tr> <tr> <td>Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items</td> <td>4770</td> </tr> <tr> <td>Interest</td> <td>1030</td> </tr> <tr> <td>Depreciation &amp; Amortization expenses</td> <td>1105</td> </tr> <tr> <td>Profit/(Loss) before Tax and Exceptional Items</td> <td>2635</td> </tr> <tr> <td>Exceptional Items</td> <td>-</td> </tr> <tr> <td>Provision for Taxation</td> <td>-</td> </tr> <tr> <td>Other Comprehensive Income</td> <td>(21)</td> </tr> <tr> <td>Profit/(Loss) after Tax and Exceptional Items</td> <td>2614</td> </tr> <tr> <td><b>Net Profit/(Loss) for the year</b></td> <td><b>2614</b></td> </tr> </tbody> </table>	Particulars	(₹ in Lakhs)	Gross Turnover including Other Income	60889	Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items	4770	Interest	1030	Depreciation & Amortization expenses	1105	Profit/(Loss) before Tax and Exceptional Items	2635	Exceptional Items	-	Provision for Taxation	-	Other Comprehensive Income	(21)	Profit/(Loss) after Tax and Exceptional Items	2614	<b>Net Profit/(Loss) for the year</b>	<b>2614</b>
Particulars	(₹ in Lakhs)																							
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Profit/(Loss) before Tax and Exceptional Items	2635																							
Exceptional Items	-																							
Provision for Taxation	-																							
Other Comprehensive Income	(21)																							
Profit/(Loss) after Tax and Exceptional Items	2614																							
<b>Net Profit/(Loss) for the year</b>	<b>2614</b>																							
5.	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Foreign investors, mainly comprising of NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases.																						

**II. INFORMATION ABOUT THE APPOINTEE**

S. No	Particulars	Mr. Sanjay Aggarwal	Mr. Sandeep Aggarwal
1.	Background details	Mr. Sanjay Aggarwal is one of the Promoter Director and is associated with the Company since inception. He is a creative thinker and future oriented industrialist having vast experience in the Cable Industry. He has been associated with various apex Industrial Associations and Industry Forums in India in different capacities.	Mr. Sandeep Aggarwal is one of the Promoter Director and is associated with the Company since inception. He plays an important role in successful management of Company's operational, production and technical affairs.
2.	Past remuneration	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service.	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service.

S. No	Particulars	Mr. Sanjay Aggarwal	Mr. Sandeep Aggarwal
3.	Recognition or awards	Entrepreneur of the Year Award by All India Manufacturers Organization; Niryat Shree Award by FIEO and Major Donor Award 2017 by Rotary Foundation of Rotary International. Udyog Ratan by Institute of Economic Studies	The Valuable contribution to Rotary Foundation & Rotary Delhi Central Charitable Trust fund raiser 2016-17; Appreciation Certificate for Swachh Bharat Abhiyan; Honorary Professorship Award.
4.	Job profile and his suitability	Mr. Sanjay Aggarwal, Whole time Director of the Company is entrusted with substantial powers of management in relation to whole Business and operational affairs of the Company.	Mr. Sandeep Aggarwal, Managing Director of the Company plays an important role in successful management of Company's operational, production and technical affairs
5.	Remuneration proposed	As per resolution under item No. 5	As per resolution under item No. 6
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the size of the Company, the profile of Mr. Sanjay Aggarwal, the responsibilities entrusted upon him in his capacity as Chairman & CEO, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.	Considering the size of the Company, the profile of Mr. Sandeep Aggarwal, the responsibilities entrusted upon him in his capacity as Managing Director, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.
7.	Pecuniary relationship directly or indirectly with the company, relationship with the managerial personnel, if any.	Besides the remuneration proposed, Mr. Sanjay Aggarwal does not have any pecuniary relationship with the Company. Mr. Sandeep Aggarwal is the brother of Mr. Sanjay Aggarwal. No other managerial personnel is concerned or interested in the above resolution.	Besides the remuneration proposed, Mr. Sandeep Aggarwal does not have any pecuniary relationship with the Company. Mr. Sanjay Aggarwal is the brother of Mr. Sandeep Aggarwal. No other managerial personnel is concerned or interested in the above resolution.

### III. OTHER INFORMATION

S. No	Particulars	Details
1.	Reasons of loss or inadequate profits	Due to carry forward losses
2.	Steps taken or proposed to be taken for improvement	During the year, the Promoters/Promoter Group have infused funds amounting to ₹ 14.59 Crore for working capital requirement and R & D Expenditure of the Company, by way of issue of 2,24,00,000 share warrants on preferential basis and partial conversion thereof into equity shares of the Company. The Company has taken various steps to improve productivity and increase operational efficiency.
3.	Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

### IV. DISCLOSURES

- (i) The Shareholders of the Company shall be informed of the remuneration package of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal as per the provisions of applicable laws.
- (ii) Requisite disclosure regarding remuneration, share warrants etc. has been disclosed as a part of Directors' Report under the heading "Corporate Governance" attached to the Annual Report of the Company

## ANNEXURE-1 TO AGM NOTICE

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of the Director	Mr. Sanjay Aggarwal (DIN:00001788)	Mr. Sandeep Aggarwal (DIN:00002646)	Ms. Malini Gupta (DIN:03464410)	Ms. Praveena Kala (DIN: 08765830)
Date of Birth	21-10-1962	08-05-1964	11-01-1970	07-05-1960
Qualification	B. Com (Hons.) from Shri Ram College of Commerce, Delhi University	B.A. Hons (Economics)	Masters in Management Studies from BITS Pilani CPIM (Certified in Production and Inventory Management) by APICS, USA	Masters in Physics from Lucknow University.
Nature of Expertise	Creative thinker and future oriented industrialist having vast experience of more than 3 decades in Cable Industry.	Reputable Businessman with vast experience and knowledge of the cable Industry	Over two decades of experience in the areas of Business strategy, performance improvement, supply chain re-engineering and project management.	Over 3 decades of experience of National and International Banking operations in State Bank of India.
Date of first appointment in the current designation	01.11.1994	01.11.1994	30.01.2015	14.07.2020
Shareholding in the Company	9761013 equity shares of ₹ 2/- each  43,00,000 warrants convertible into equal number of equity shares of face value of ₹ 2/- each	9700733 equity shares of ₹ 2/- each  43,00,000 warrants convertible into equal number of equity shares of face value of ₹ 2/- each	NIL	NIL
Directorships	NIL	NIL	NIL	NIL
Memberships/ Chairmanship of Committees of other companies	NIL	NIL	NIL	
Inter-se relationship between Directors and other Key Managerial Personnel	Brother of Mr. Sandeep Aggarwal	Brother of Mr. Sanjay Aggarwal	She is not related with any Director and Key Managerial Personnel of the Company.	She is not related with any Director and Key Managerial Personnel of the Company.
Number of Meetings of the Board attended	4 out of 4 in the Financial Year 2019-20	3 out of 4 in the Financial Year 2019-20	4 out of 4 in the Financial Year 2019-20	NIL

Name of the Director	Mr. Sanjay Aggarwal (DIN:00001788)	Mr. Sandeep Aggarwal (DIN:00002646)	Ms. Malini Gupta (DIN:03464410)	Ms. Praveena Kala (DIN: 08765830)
Past Remuneration Drawn	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service.	Basic Pay of ₹ 12.50 Lakhs per month and perquisites incurred on actual basis i.e. Car with Driver, Electricity, club membership upto 3 clubs and other perquisites, but not exceeding ₹ 1,500,000/-per month apart from Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service.	Being Independent Director, she was paid sitting of ₹ 60,000/- for each Board and Committee Meeting and conveyance as actual incurred	NA

**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.





C-125, Naraina Industrial Area Phase-1,  
New Delhi-110028, India  
Telephone: +91 11 45618800, 900  
Fax: +91 11 25893719, 20  
[www.paramountcables.com](http://www.paramountcables.com)