



PARAMOUNT COMMUNICATIONS LIMITED

CIN: L74899DL1994PLC061295

Registered Office: C-125, Naraina Industrial Area, Phase-1, New Delhi-110028

Website: www.paramountcables.com | **E-Mail:** pcl@paramountcables.com

Phone: +91 11 45618800 | **Fax:** +91 11 25893719

POSTAL BALLOT NOTICE

[Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

Notice is hereby given to the members of Paramount Communications Limited (the “**Company**”), pursuant to Section 110 of the Companies Act, 2013 (the “**Act**”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, that the resolutions appended below are proposed to be passed as Special Resolutions by way of Postal Ballot including Electronic voting in compliance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder.

An explanatory statement pursuant to Section 102 of the Companies Act, 2013 and other applicable legal provisions, pertaining to the said resolution setting out the material facts and the reasons thereof, is also appended. The said resolution and explanatory statement are being sent to you along with a postal ballot form (“**Postal Ballot Form**”) and self-addressed Business Reply envelope for your consideration.

Pursuant to Rule 22(5) of the Companies (Management and Administration) Rules 2014, the Board of Directors has appointed CS Abhishek Mittal, Proprietor of M/s Abhishek Mittal & Associates, Practicing Company Secretaries, New Delhi (M No. F7273, CP No.7943) as the Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. The Scrutinizer is willing to be appointed and be available for the purpose of ascertaining the requisite majority.

The Members holding equity shares of the Company are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said Form duly completed in the attached self-addressed, postage prepaid envelope, if posted in India, so as to reach the Scrutinizer not later than close of working hours (5.00 pm IST) on April 18, 2018. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. Also, the e-voting module will be disabled after the business hours i.e. 5.00 pm IST on April 18, 2018 for voting by the Members holding equity shares of the Company. The postage will be borne and paid for by the Company.

In accordance with Regulation 44(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to offer facility of voting by electronic means (“e-voting”) to its Members to enable them to cast their votes through e-voting instead of returning duly filled Postal Ballot forms. Members holding equity shares of the Company are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The Members holding equity shares of the Company have both the options of voting i.e. by e-voting and through Postal Ballot Form. Kindly note that while exercising their vote, members holding equity shares of the Company can opt for only one of the two modes of voting i.e. either through Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote through Postal Ballot Form and vice versa. In case member votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be treated as invalid.

The Scrutinizer will submit his report to Mr. Sanjay Aggarwal, Chairman & CEO of the Company, or in his absence a person authorized by him / the Board in writing, after completion of scrutiny of Postal Ballot (including e-voting). The results of the Postal Ballot will be announced on April 20, 2018 and will be displayed at the website of the Company i.e., www.paramountcables.com and on the website of Link Intime India Private Limited, Registrar and Transfer Agent and communicated to BSE Limited (the “**BSE**”) and National Stock Exchange of India Limited (the “**NSE**”), (BSE & NSE collectively as the “**Stock Exchanges**”), being the stock exchanges where the equity shares of the Company are listed.

The date of declaration of the results of the Postal Ballot i.e. April 20, 2018 shall be the date on which the Resolution would be deemed to have passed, if approved by the requisite majority. The Members are requested to consider and, if thought fit, pass the following resolution(s):

SPECIAL BUSINESS:

Item No. 1 To consider and approve the re-appointment of Mr. Sanjay Aggarwal (DIN: 00001788) 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 Special Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V & as per Articles of Association of the Company & all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Sanjay Aggarwal as Whole Time Director, to be designated as Chairman & CEO of the Company for a period of three years with effect from 1st March, 2018 to 28th February, 2021, at a remuneration of Rs. 4,96,000/- per month including 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 and on the terms and conditions of re-appointment as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of Directors be and are hereby severally authorized to alter and vary the terms and conditions and remuneration as it may deem fit, within the limits specified in Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or desirable for the purpose of giving effect to the above resolution and also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise with respect to the re-appointment of Mr. Sanjay Aggarwal as Whole Time Director, to be designated as Chairman & CEO of the Company.”

Item No. 2 To consider and approve the re-appointment of Mr. Sandeep Aggarwal (DIN: 00002646) as the Managing Director of the Company:

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

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V & as per Articles of Association of the Company & all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, the approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Sandeep Aggarwal as Managing Director of the Company for a period of three years with effect from 1st March, 2018 to 28th February, 2021, at a remuneration of Rs. 4,96,000/- per month including 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 and on the terms and conditions of re-appointment as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of Directors be and are hereby severally authorized to alter and vary the terms and conditions and remuneration as it may deem fit, within the limits specified in Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or desirable for the purpose of giving effect to the above resolution and also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise with respect to the re-appointment of Mr. Sandeep Aggarwal as Managing Director of the Company.”

Item No. 3: Amendment to the terms and conditions of the outstanding Foreign Currency Convertible Bonds (FCCBs) of face value aggregating US\$7.50 Million

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the approval of outstanding Foreign Currency Convertible Bond (FCCB) Holders in their meeting held on 21st February 2018 for alteration in the terms and conditions of outstanding FCCBs of face value aggregating US\$7.50 Million and approval of the Board of Directors of the Company granted in their meeting held on 8th March 2018 in this regard, and subject to all the applicable provisions of the Companies Act, 2013 and the rules framed thereunder and / or Foreign Exchange Management Act, 1999 and / or Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the enabling provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, and subject to the listing requirements of the Stock Exchanges and the applicable rules, regulations, notifications and circulars, if any, issued by Securities and Exchange Board of India (“**SEBI**”) and / or Reserve Bank of India (“**RBI**”) from time to time and subject to such permissions, sanctions and approvals as may be required from appropriate authorities in this regard and subject to such terms and modifications, if any, as may be specified while according such approvals and subject to acceptance of such conditions or modifications by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which expression shall be deemed to include a committee of the Board or any officer authorized by the Board to exercise the powers conferred on the Board under this resolution), the consent of the Members of the Company be and is hereby accorded to the alteration / modification of the terms of the outstanding 1,500 FCCBs of face value of US\$ 5,000 each aggregating US\$ 7.50 Million as under:

- The Maturity Date as appearing under Condition 7.1 of the Terms & Conditions of the Bonds to be changed from 23rd November 2011 to 29th June 2018, and all references to the defined term Maturity Date in the Trust Deed and the Conditions shall be construed accordingly;
- Amending the conversion price under the Offering Circular from Rs.53 per equity share (*originally Rs.265, but since the share bearing Face value of Rs.10 each had been split by the Company to Rs.2 per share, the price has been adjusted accordingly*) to Rs.28.40 per equity share or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company (currency conversion rate to be taken as available on the Closing Date as per Offering Circular, i.e. 1 US\$ = INR 44.99);
- 7,921 (Seven Thousand Nine Hundred TwentyOne) Equity Shares or such other number of shares as may be approved by regulatory authorities of face value Rs.2 each of the Company shall be issued for each outstanding FCCB, having face value of US\$5000 per FCCB at a price of Rs.28.40 per Equity Share or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company.;
- The Bonds not previously redeemed, converted or repurchased will be compulsorily converted into Equity Shares of the Company on 29th June 2018.
- The outstanding Bonds shall not bear any Interest from 23rd November 2011 to the revised Maturity Date i.e. 29th June 2018.
- The Company will not be liable to pay any cost incidental to or incurred or to be incurred by the Bondholders in respect of exercising their Conversion Rights and/or the Company converting the Bonds into the Shares.
- The Holders of the outstanding FCCBs shall waive each and every Event of Default which has occurred under Condition 12 (Events of Default) of the Terms & Conditions of the Bonds and the Company shall be deemed to have discharged all its obligations in respect of the Bonds upon conversion of the Bonds to Shares;
- The Company shall enter into an agreement with such custodian, as may be appointed by the Board, to hold unclaimed shares on the aforesaid conversion date.

RESOLVED FURTHER THAT pursuant to the conversion of the outstanding FCCBs, 11,881,500 (One Crore Eighteen Lakh Eighty One Thousand Five Hundred only) Equity Shares of face value Rs.2 each or such other number of shares as may be approved by regulatory authorities shall be allotted by the Company to the FCCB Holders as on 29th June 2018 at a price of Rs.28.40 per equity share, or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company, upon conversion of the FCCBs pursuant to the proposed revision of the terms of the

outstanding FCCBs and all such shares shall rank pari passu with the existing Equity Shares of the Company in all respect as may be provided under the terms of issue thereof without the need for any further authorizations of the shareholders in this regard.

RESOLVED FURTHER THAT the Equity Shares, to be issued pursuant to conversion of FCCBs, be listed on BSE Limited and National Stock Exchange of India Limited, and that the Board be and is hereby authorized to make the necessary application and to take all other steps as may be necessary for the listing of the said Equity Shares and the admission of the Equity Shares with the depositories and for the credit of such Equity Shares to the Proposed Allottees.

RESOLVED FURTHER THAT the Common Seal of the Company, if required be affixed on any agreement, undertaking, deed or other documents as per the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to take all steps as may be necessary to give effect to the aforesaid resolution including but not limited to filing of application(s) before RBI, Stock Exchanges and other regulatory agencies whether in India or abroad, the entering into agreement(s) with one or more advisor(s), legal counsels and to sign all applications, filings, deeds, documents and writings and to pay any fees, commissions, remunerations, expenses relating thereto, to appear, represent discuss and respond to queries of any such regulatory authority and to give such directions as may be necessary to settle any question or difficulty which may arise in regard, as it may, in its absolute discretion deem fit, without the need for any further authorizations of the shareholders in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred upon it to any Committee of Directors, Director(s) or any other officers / authorized representatives of the Company to give effect to this resolution.”

By Order of the Board of Directors
For Paramount Communications Limited

Sd/-
(Tannu Sharma)
Company Secretary
M. No.: A30622

Place : New Delhi
Dated : 8th March, 2018

NOTES:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Resolution annexed hereto and forms part of this Notice.
2. All relevant documents referred to in the explanatory statement are available for inspection of the shareholders at the Company's Registered & Corporate Office on any working day except Saturday, Sunday and public holidays between 10.00 am IST to 4.00 pm IST upto April 18, 2018.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

ITEM NO. 1 and 2:

Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have been associated with the Company since its inception and are looking after the affairs of the Company since then. The appointment of Mr. Sanjay Aggarwal as Chairman & CEO and Mr. Sandeep Aggarwal as Managing Director, for a period of five years, w.e.f. 1st March, 2013 till 28th February, 2018 was duly approved by the shareholders vide Special Resolution. Since the aforesaid tenure of appointment has expired, it is proposed to reappoint Mr. Sanjay Aggarwal as Whole-time Director designated as Chairman & CEO and Mr. Sandeep Aggarwal as Managing Director, for a period of three years, w.e.f. 1st March, 2018 till 28th February, 2021.

The Nomination and Remuneration Committee, at its meeting held on 8th February, 2018 had recommended the re-appointment of Mr. Sanjay Aggarwal as Chairman & CEO and Mr. Sandeep Aggarwal as Managing Director of the Company and the terms of remuneration payable to them for a further period of three years from 1st March, 2018 till 28th February, 2021, as below:

Salary: Rs. 496,000/- per month for Mr. Sanjay Aggarwal to be designated as the Chairman & CEO;
Rs. 496,000/- per month for Mr. Sandeep Aggarwal to be designated as the Managing Director.

It includes Company's contribution for them 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.

The Board of Directors, at its meeting held on 8th February, 2018 had approved the re-appointment of Mr. Sanjay Aggarwal as Chairman & CEO and Mr. Sandeep Aggarwal as Managing Director of the Company and the recommended terms and conditions including remuneration. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that their re-appointment will be in the interest of the Company.

The re-appointment of Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal is being proposed on the terms and conditions as set out in the Explanatory Statement. Further, the proposed remuneration is in consonance with the limits specified in the Schedule V *{for payment of remuneration to managerial personnel in the event of loss or inadequacy of profits of Company}* of the Companies Act, 2013 as amended from time to time. The Board of Directors of Company considers that the proposed remuneration is commensurate with the duties and responsibilities entrusted on Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal as Chairman & CEO and Managing Director respectively.

Pursuant to the requirements of Schedule V of the Companies Act, 2013, the approval of the shareholders by means of Special Resolution is sought for the reappointment of Mr. Sanjay Aggarwal as Whole-time Director designated as Chairman & CEO and Mr. Sandeep Aggarwal as Managing Director, for a period of three years, w.e.f 1st March, 2018 till 28th February, 2021. It may be noted that since the Company is in default in redemption of Outstanding FCCBs, prior approval for the proposed remuneration has been duly obtained from all the secured creditors, as per the requirement of Schedule V, Section II clause (ii) of the Companies Act, 2013.

Notices have been received from member signifying their intention to propose re-appointment of Mr. Sanjay Aggarwal as Whole-time Director designated as Chairman & CEO and Mr. Sandeep Aggarwal as Managing Director along with a deposit of Rs. 1,00,000/- each.

Information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Director seeking appointment is as follows:

Name of the Director along with DIN	Mr. Sanjay Aggarwal (DIN: 00001788)	Mr. Sandeep Aggarwal (DIN: 00002646)
Date of Birth	21/10/1962	08/05/1964
Nationality	Indian	Indian
Relationship with other Directors <i>inter-se</i>	Brother of Mr. Sandeep Aggarwal	Brother of Mr. Sanjay Aggarwal
Original Date of Appointment	01/11/1994	01/11/1994
Expertise in specific functional areas	<ul style="list-style-type: none"> Creative thinker and future oriented industrialist having vast experience of more than 30 years in Cable Industry. Actively involved in all major activities of the Company including Production, Marketing, Exports, Finance and Commercial. He has always promoted talent among employees and takes keen interest in building their managerial skill for effective performance. 	<ul style="list-style-type: none"> A technocrat in true sense and plays a major role in the successful management of the Company's operational, production and technical affairs. Mr. Sandeep Aggarwal's managerial style is one of constant mentoring, attention to detail and encouraging new thinking in the organization.
Qualification	B.Com (Hons.) from Shri Ram College of Commerce, University of Delhi.	B.A. Hons. (Economics) from Shri Ram College of Commerce, University of Delhi.
No. of Equity Shares held in the Company	5,826,100 Equity Shares	5,732,300 Equity Shares
List of other companies in which Directorships are held	NIL	NIL
List of Committees of the Board of Directors (across all companies) in which Chairmanship / Membership	NIL	NIL

Note:

1. Directorships and Committee memberships in Paramount Communications Limited and its Committees are not included in the aforesaid disclosure.
2. Alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded.
3. Membership and Chairmanship of Audit Committees and Investor Grievance/Stakeholder Relationship Committees of only public Companies have been included in the aforesaid table.

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 31.03.2017)	Particulars	Rs. (In Lac)
		Gross Turnover including Other Income	35,444.81
		Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items	(4,516.50)
		Interest	1,840.29
		Depreciation & Amortization expenses	816.58
		Profit/(Loss) before Tax and Exceptional Items	(7,173.37)
		Exceptional Items	7,142.04
		Provision for Taxation	-
		Profit/(Loss) after Tax and Exceptional Items	(31.33)
	Net Profit/(Loss) for the year	(31.33)	
5.	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Foreign investors, mainly comprising of NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/secondary market purchases.	

II. INFORMATION ABOUT THE APPOINTEE

S. No	Particulars	Mr. Sanjay Aggarwal	Mr. Sandeep Aggarwal
1.	Background details	Mr. Sanjay Aggarwal is one of the Promoter Director and is associated with the Company since inception. He is a creative thinker and future oriented industrialist having vast experience of over 30 years in the Cable Industry. He has been associated with various apex Industrial Associations and Industry Forums in India in different capacities.	Mr. Sandeep Aggarwal is one of the Promoter Director and is associated with the Company since inception. He plays an important role in successful management of Company's operational, production and technical affairs.

S. No	Particulars	Mr. Sanjay Aggarwal	Mr. Sandeep Aggarwal
2.	Past remuneration	The appointment of Mr. Sanjay Aggarwal as Chairman & CEO was duly approved by the shareholders for a period of five years, w.e.f. 1 st March, 2013 till 28 th February, 2018 at a remuneration of Rs. 400,000/- per month.	The appointment of Mr. Sandeep Aggarwal as Managing Director was duly approved by the shareholders for a period of five years, w.e.f. 1 st March, 2013 till 28 th February, 2018 at a remuneration of Rs. 400,000/- per month.
3.	Recognition or awards	Entrepreneur of the Year Award by All India Manufacturers Organization; Niryat Shree Award by FIEO and Major Donor Award 2017 by Rotary Foundation of Rotary International.	The Valuable contribution to Rotary Foundation & Rotary Delhi Central Charitable Trust fund raiser 2016-17; Appreciation Certificate for Swachh Bharat Abhiyan; Honorary Professorship Award.
4.	Job profile and his suitability	He has worked as Whole Time Director of the Company for about 25 years, in which capacity he has been devoting whole time attention to the affairs of the Company and is suitable for this position.	He has worked as Managing Director of the Company for about 25 years, in which capacity he has been devoting whole time attention to the affairs of the Company and is suitable for this position.
5.	Remuneration proposed	Rs. 4,96,000/- per month including 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	Rs. 4,96,000/- per month including Company's contribution for him to Provident Fund, Superannuation Fund or Annuity Fund or leave encashment (if any) in accordance with the Rules & Regulations of the Company and Gratuity at a rate not exceeding 15 day's salary for each completed year of service
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the size of the Company, the profile of Mr. Sanjay Aggarwal, the responsibilities entrusted upon him in his capacity as Chairman & CEO, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.	Considering the size of the Company, the profile of Mr. Sandeep Aggarwal, the responsibilities entrusted upon him in his capacity as Managing Director, and also considering the industrial benchmarks, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies.
7.	Pecuniary relationship directly or indirectly with the company, relationship with the managerial personnel, if any.	Besides the remuneration proposed, Mr. Sanjay Aggarwal does not have any pecuniary relationship with the Company. Mr. Sandeep Aggarwal is the brother of Mr. Sanjay Aggarwal. No other managerial personnel is concerned or interested in the above resolution.	Besides the remuneration proposed, Mr. Sandeep Aggarwal does not have any pecuniary relationship with the Company. Mr. Sanjay Aggarwal is the brother of Mr. Sandeep Aggarwal. No other managerial personnel is concerned or interested in the above resolution.

III. OTHER INFORMATION

S. No	Particulars	Details
1.	Reasons of loss or inadequate profits	Due to global slowdown and slow-down in the economic growth in the country and other reasons beyond the control of management of the Company, the Company had been incurring operational losses since the Financial Year 2011-12.
2.	Steps taken or proposed to be taken for improvement	During the year, the Company has entered in settlement Agreement with Asset Reconstruction Company (ARC) for dues pertaining to two of the Banks. Further, the Company has also entered into One-time Settlement Agreement with one of the Bank. The terms of settlements with ARC and Banks will substantially reduce company's debt and interest burden and accordingly have a positive impact on the net worth and financials of the Company. Also, Company is confident about meeting terms and conditions of settlement with ARC/Bank, on the basis of projected future cash flows of the Company and undertaking from the promoters to arrange necessary funds for meeting the obligations of settlement. Further, the Company is having a good order book position.
3.	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and is undertaking constant measures to improve it. In view of various steps taken by the Company and settlement of majority of the creditors, the Company is expected to perform better in terms of profitability in the years to come. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

IV. DISCLOSURES- Not Applicable

The Board recommends the Special Resolution set out at Item No. 1 and 2 of the accompanying Notice for the approval of Members.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Prior approval for the proposed remuneration as obtained from all the secured creditors is available for inspection by the shareholders at the Registered Office during business hours on any working day.

Since the resolution at Item No. 1 and 2 relates to re-appointment and payment of remuneration to Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, both being brothers, are deemed to be concerned or interested in the said resolutions. 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. 1 and 2.

Item No. 3

The Company, after according shareholders' approval by means of Special Resolution in the Extra Ordinary General Meeting held on 23rd October 2006, issued US\$27,000,000 1% Foreign Currency Convertible Bonds (FCCBs) on November 22, 2006 divided into 5,400 Bonds of US\$ 5,000 each with a maturity period of 5 years 1 day. During the year 2009-10, the Company bought back Bonds amounting to face value of US\$19,500,000 leaving a balance of US\$7,500,000 face value of bonds. However, the outstanding Bonds were not redeemed on their redemption date due to the financial crunch faced by the Company.

Due to global slowdown and slow-down in the economic growth and other reasons beyond the control of management of the Company, the Company had been incurring huge operational losses since the Financial Year 2011-12. Continuous losses over the years have resulted in complete erosion of capital of the Company and as per the audited Statement of Accounts for the year ended 31st March 2017, the Company had a negative net-worth of INR (3,361) Million as on 31st March 2017. However, the Company was desirous to arrive at a mutual settlement with the Bondholders and offering the best possible option in the current challenging scenario.

Thereafter, the Company vide the Notice dated 10th January 2018 called the meeting of Outstanding FCCB holders, for settlement & conversion of Outstanding FCCBs by issue of 7,921 (Seven Thousand Nine Hundred Twenty One) Equity Shares or such other number of shares as may be approved by regulatory authorities of face value of Rs.2/- each of the Company for each outstanding FCCB, having face value of US\$5000 per bond at a price of Rs.28.40 per Equity Share or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company. The number of Shares to be issued on exercise of a Conversion Right is determined by dividing the principal amount of the relevant Bond translated into Indian Rupees at Rs.44.99 (the “**Fixed Exchange Rate**”) by Rs.28.40 (the “**Conversion Price**”) in effect.

Accordingly, the meeting of Outstanding FCCB holders of the company holding present outstanding 1,500 FCCBs of face value of US\$5,000 each aggregating to US\$7.50 Million was held at the office of Elara Capital (Asia) Pte. Ltd., 30 Raffles Place, #20-03 Chevron House, Singapore 048620 on 21st February 2018, wherein the requisite number of Bondholders has approved the change in terms of FCCBs as under:

- The Maturity Date as appearing under Condition 7.1 of the Terms & Conditions of the Bonds to be changed from 23rd November 2011 to 29th June 2018, and all references to the defined term Maturity Date in the Trust Deed and the Conditions shall be construed accordingly;
- Amending the conversion price under the Offering Circular from Rs.53 per equity share (*originally Rs.265, but since the share bearing Face value of Rs. 10 each had been split by the Company to Rs.2 per share, the price has been adjusted accordingly*) to Rs.28.40 per equity share or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company (currency conversion rate to be taken as available on the Closing Date as per Offering Circular, i.e. 1 US\$ = INR 44.99);
- 7,921 (Seven Thousand Nine Hundred Twenty One) Equity Shares or such other number of shares as may be approved by regulatory authorities of face value Rs.2 each of the Company shall be issued for each outstanding FCCB, having face value of US\$5000 per FCCB at a price of Rs.28.40 per Equity Share or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company.
- The Bonds not previously redeemed, converted or repurchased will be compulsorily converted into Equity Shares of the Company on 29th June, 2018.
- The outstanding Bonds shall not bear any Interest from 23rd November 2011 to the revised Maturity Date i.e. 29th June 2018.
- The Company will not be liable to pay any cost incidental to or incurred or to be incurred by the Bondholders in respect of exercising their Conversion Rights and/or the Company converting the Bonds into the Shares.
- The Holders of the outstanding FCCBs shall waive each and every Event of Default which has occurred under Condition 12 (Events of Default) of the Terms & Conditions of the Bonds and the Company shall be deemed to have discharged all its obligations in respect of the Bonds upon conversion of the Bonds to Shares;
- The Company shall enter into an agreement with such custodian, as may be appointed by the Board, to hold unclaimed shares on the aforesaid conversion date.

Accordingly, it is proposed to issue and allot 11,881,500 (One Crore Eighteen Lakh Eighty One Thousand Five Hundred only) Equity Shares or such other number of shares as may be approved by regulatory authorities of face value Rs.2 each of the company at a price of Rs.28.40 (Rupees Twenty Eight and Paise Forty) per equity share or at such price as may be approved by regulatory authorities including but not limited to Reserve Bank of India and confirmed by outstanding FCCB holders and Board of Directors of the Company towards conversion of 1,500 outstanding FCCBs having face value of US\$5,000 each, without the need for any further authorizations of the shareholders in this regard.

Further, the Board of Directors of the Company at its meeting held on 8th March 2018 (“**Board Meeting**”), subject to the approval of the Members of the Company by way of special resolution and approval of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the alteration of the existing terms and conditions of the outstanding FCCBs as aforesaid.

Therefore, the Board recommends the Resolutions as set out in the Item No. 3 to the Notice as Special Resolution, for approval of the Members.

None of the Directors / Key Managerial Personnel or their relatives is in any way concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

By Order of the Board of Directors
For Paramount Communications Limited

Sd/-
(Tannu Sharma)
Company Secretary
M. No.: A30622

Place : New Delhi
 Dated : 8th March, 2018

NOTES AND INSTRUCTIONS

A. Casting of Vote through e-voting

1. For the purpose of offering E-Voting facility, the Company has entered into an agreement with CDSL. E-voting is optional for Members. A Member who wish to vote by Postal Ballot Form (instead of e-voting) can use the enclosed Postal Ballot Form or download it from www.paramountcables.com.
2. The instructions for shareholders for e-voting is as under:

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

The electronic voting period commences on Tuesday, 20th March, 2018 (9:00 A.M.) and ends on Wednesday, 18th April, 2018 (5:00 P.M). The electronic voting facility will be disabled by CDSL for voting thereafter. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9th March, 2018, may cast their vote electronically.

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

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

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

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

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

Other Instructions:

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- Once the vote on a resolution is casted by the member, he shall not be allowed to change or modify it subsequently;
- Member can log in any number of times till he has voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of e-votes), whichever is earlier.
- Members can opt only one mode for voting i.e. either by Postal Ballot or e-voting. If member opts for e-voting, then he does not vote by Postal Ballot also and vice versa. However, in case member(s) cast their vote both via Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be ignored.
- Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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

B. Casting of Vote through Postal Ballot Form

1. Members desiring to cast their vote in Postal Ballot Form are requested to execute the Postal Ballot Form as per the instructions stated therein and send the same in the enclosed self-addressed postage prepaid envelope. The vote can be cast by recording the assent in the Column FOR and dissent in the Column AGAINST by placing a tick mark (“”) in the appropriate column.
2. The Member need not use all the votes nor needs to cast all the votes in the same way. Members are requested not to send any other paper / document along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope. If sent, the same paper / document would not be acted upon.
3. The postal ballot notice is being sent to all the Members whose names appear on the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 9th March, 2018 along with a postage prepaid self-addressed Business Reply Envelope. The postal ballot notice is also being sent to Members who have registered their email IDs for receipt of documents in electronic form to their email addresses registered with their Depository Participants (in case of electronic shareholding)/the Company’s Registrar and Transfer Agent (in case of physical shareholding).

4. Members whose names appear on the Register of Members / List of Beneficial Owners as on March 09, 2018 will be considered for the purpose of voting.
5. Members can download the Postal Ballot Form from the link www.evoting.nsdl.com or www.paramountcables.com ; or seek a duplicate Postal Ballot Form from the Company's Registrar and Transfer Agent M/s. Link Intime India Private Limited from their office at 44, Community Centre, Phase-I, Near PVR, Naraina Ind. Area, New Delhi-110028, fill in the details and send the same to the Scrutinizer.
6. Kindly note that the Members can opt only one mode of voting i.e. either by Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote by Postal Ballot Form also and vice versa. However, in case a Member has voted both by Postal Ballot Form as well as e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot Form will be treated as invalid.
7. The Scrutinizer's decision on the validity of the Postal Ballot will be final.
8. The period for voting through physical Ballot and e-voting starts from March 20, 2018 at 9.00 am IST and ends on April 18, 2018 at 5.00 pm IST and any physical ballots received thereafter shall not be considered and e-voting shall be disabled by NSDL.
9. You are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form (no other Form or photo copy is permitted) duly completed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer on or before the close of working hours (5.00 pm IST) on April 18, 2018. No other request / details furnished in the Self-Addressed envelope will be entertained. The Postal Ballot Forms received after close of working hours (5.00 pm IST), April 18, 2018, will be treated as if the same has not been received from the Member.
10. The Scrutinizer will submit his report, to the Chairman or in his absence to any other person authorized by him, after completion of scrutiny of Postal Ballot in a fair and transparent manner. The Scrutinizer's report will be displayed on the Company's website: www.paramountcables.com. The results of the Postal Ballot will be announced on April 20, 2018 and will be communicated to BSE and NSE where the equity shares of the Company are listed. The results of the Postal Ballot will also be displayed on the website of NSDL. The date of declaration of the results of the Postal Ballot i.e. April 20, 2018, shall be the date on which the Resolution would be deemed to have passed, if approved by the requisite majority.