

# **Annual Report 2016-17**



**Paramount Communications Limited**

यद्यदाचरति श्रेष्ठस्तत्तरेदेवेतरो जनः।  
सं यत्प्रमाणं कुरुते लोकस्तदनुवर्तते।।



**LATE SHRI SHYAM SUNDER AGGARWAL**

Founder - Paramount Communications Limited  
(6.10.1936 - 6.12.1999)

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

Bhagwad Gita, 3.21

#### **IMPORTANT COMMUNICATION TO MEMBERS**

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

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

Save Paper, Save Trees, Go Green!

# Corporate Information

## BOARD OF DIRECTORS

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

## CHIEF FINANCIAL OFFICER

Mr. Shambhu Kumar Agarwal

## CHIEF COMPLIANCE OFFICER & COMPANY SECRETARY

Ms. Tannu Sharma

## REGISTERED OFFICE

C-125 Naraina Industrial Area, Phase-1,  
Naraina, New Delhi-110028, India  
Phone(s): +91-11-45618800/900,  
Fax: +91-11-25893719/20  
E-mail: [pcl@paramountcables.com](mailto:pcl@paramountcables.com)  
Website: [www.paramountcables.com](http://www.paramountcables.com)

## WORKS

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

## AUDITORS

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

## COST AUDITORS

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

## REGISTRAR & SHARE TRANSFER AGENTS

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

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## NOTICE

Notice is hereby given that the **23<sup>rd</sup> Annual General Meeting** of the Members of **PARAMOUNT COMMUNICATIONS LIMITED** will be held at **Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003 on Thursday, the 17<sup>th</sup> day of August, 2017 at 11.00 A.M.** to transact the following businesses:

### **ORDINARY BUSINESSES:**

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 2017 and the Balance Sheet as on that date, and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Aggarwal (**DIN: 00001788**), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s P. Bholusaria & Co., Chartered Accountants (**Firm Registration No. 000468N**) as Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company, to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting, on such remuneration as may be decided by the Board, based on the recommendations of Audit Committee.

### **SPECIAL BUSINESSES:**

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

**“RESOLVED THAT** in accordance with the provisions of Section 42, 52, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force) (the **“Act”**), and the rules and regulations made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 (the **“SEBI ICDR Regulations”**) and any other law for the time being in force, and the provisions in the Memorandum and Articles of the Association of the Company, and subject to the approvals, consents, permissions and sanctions of the Securities and Exchange Board of India (**“SEBI”**), Stock Exchanges and any other concerned authorities, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any committee of directors duly constituted or to be constituted thereof to exercise its powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board:

- (i) to redeem 765,000 (Seven Lakh Sixty Five Thousand) - 0.00% Non-convertible Redeemable Preference Shares of face value ₹ 100/- (Rupees One Hundred) each (**“NCRPS”**) at a price of ₹ 121.25 per NCRPS (including a premium of ₹ 21.25 per NCRPS) out of the fresh issue of equity shares by the Company;
- (ii) utilisation of securities premium account of the Company to the extent of ₹ 16,256,250 (Rupees One Crore Sixty Two Lakhs Fifty Six Thousand Two Hundred Fifty only) for payment of premium on redemption of NCRPS by the Company;
- (iii) to create, offer, issue and allot, in one or more tranches, at such time or times as the Board may in its absolute discretion thinks fit, 17,669,000 (one crore seventy six lakhs sixty nine thousand) equity shares of the Company of face value ₹ 2/- (Rupees Two) each (**“Equity Shares”**) at a price of ₹ 5.25/- (including premium of ₹ 3.25/-) per equity share, ranking pari passu in all respects with the existing fully paid up equity shares of the Company by way of preferential allotment to the holders of NCRPS (hereinafter referred to as the **“Proposed Allottees”**) as under:

Sr. No.	Name of NCRPS holder	No. of Equity shares to be allotted
1.	Paramount Telecables Limited	3,465,000
2.	Mrs. Shashi Aggarwal	6,178,000
3.	Mrs. Archana Aggarwal	6,178,000
4.	Mr. Mahesh Chand Goyal	1,848,000
	<b>Total</b>	<b>17,669,000</b>

**Resolved further that** in accordance with the provisions of the SEBI ICDR Regulations, the “**Relevant Date**” for the purpose of calculating the price of Equity Shares to be issued in terms hereof shall be July 18, 2017, being the date 30 days prior to the date of this Annual General Meeting scheduled to be held on August 17, 2017.

**Resolved further that** the amount payable by the Company on redemption of NCRPS will be adjusted against the application money payable by the Proposed Allottees for subscription of the equity shares proposed to be allotted to them and the balance, if any, receivable by the Proposed Allottees, shall be received in cash.

**Resolved further that** the Equity Shares, issued to the Proposed Allottees, be listed on BSE Limited and National Stock Exchange of India Limited, and that the Board be and is hereby authorised 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** subject to applicable law, the Board be and is hereby authorised 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 resolutions, delegate all or any of the powers conferred by the aforesaid resolutions on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions and also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

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

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

6. To consider and if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for the payment of remuneration of ₹ 50,000/- (Rupees Fifty Thousand Only) plus Taxes thereon and reimbursement of out of pocket expenses, if any, to M/s. Jain Sharma & Associates (Firm Registration No. 000270), Cost Accountants, being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, for the financial year from April 1, 2017 till March 31, 2018.

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

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

**(Tannu Sharma)**  
**Company Secretary**  
**M. No. ACS30622**

Place : New Delhi  
Dated : 18.07.2017

#### **NOTES:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. PROXY FORM IS ATTACHED HERewith.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2 The Register of Members and Share Transfer Book of the Company shall remain closed from Friday, the 11<sup>th</sup> August, 2017 to Thursday, the 17<sup>th</sup> August, 2017 (both days inclusive) in connection with the Annual General Meeting.
- 3 Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- 4 Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendee at the meeting.
- 5 The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.
- 6 Members are requested to note that all correspondence related to share transfer should be addressed to the Company's Registrars and Share Transfer Agents, M/s Link Intime India Pvt. Ltd., 44, II<sup>nd</sup> Floor, Community Centre, Naraina Industrial Area, Phase-I, New Delhi-110028.
- 7 The members of the Company who hold shares in physical form are intimated that SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfer of shares held in physical form.
- 8 Shareholders are requested to bring their copy of the Annual Report to the meeting.
- 9 At the ensuing Annual General Meeting, Mr. Sanjay Aggarwal, retires by rotation and being eligible, offers himself for reappointment. The information/ details pertaining to Mr. Sanjay Aggarwal in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed herewith.
- 10 The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of business under Item Nos. 4 to 6 set out above is annexed hereto.

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

### **Item No 4**

In the past, the Company had been facing downward trend in its result of operations and profitability as a result of adverse financial situation. However, the Company has taken various steps to re-structure its borrowings and has reduced the interest liability substantially. Further, to improve the financial position of the Company, it is now proposed to redeem the existing Non-convertible Redeemable Preference Shares (the "**NCRPS**") by way of fresh issue of Equity Shares by the Company. This will help the Company to improve its net-worth on long terms basis as the obligation of re-payment on redemption of preference shares will no longer exist.

Accordingly, considering 18<sup>th</sup> July, 2017 as the "Relevant date", the Board, in its meeting held on July 14, 2017 decided the following:

- to early redeem 765,000 outstanding 0.00% Non-Convertible Redeemable Preference Shares of face value ₹ 100 per share ("**NCRPS**") at a price of ₹ 121.25 per NCRPS out of fresh issue of equity shares of the Company;
- to utilise the securities premium account of the Company to the extent of ₹ 16,256,250 (Rupees One Crore Sixty Two Lakhs Fifty Six Thousand Two Hundred Fifty only) for payment of premium on redemption of NCRPS by the Company;
- to issue upto 20,000,000 (two crore) equity shares of the Company of face value ₹ 2 (Indian Rupees Two) each ("**Equity Shares**") at a price of ₹ 5.25 (including premium of ₹ 3.25) per equity share, ranking pari passu in all respects with the existing fully paid up equity shares of the Company by way of preferential allotment to the holders of NCRPS.
- to adjust the amount payable by the Company on redemption of NCRPS against the application money payable by the Proposed Allottees for subscription of the equity shares to be allotted to them and the balance, if any receivable by the Proposed Allottees, shall be received in cash.

Based on the authority granted by the Board in its aforesaid meeting, Mr. Sanjay Aggarwal, Chairman & Chief Executive Officer of the Company has decided to issue and allot 17,669,000 (one crore seventy six lakhs sixty nine thousand)



equity shares of the Company by way of preferential allotment.

The Issue Price for each Equity Share shall be ₹ 5.25 (including premium of ₹ 3.25) per equity share, which is not lower than the minimum price calculated in accordance with the Regulation 76 of the SEBI ICDR Regulations.

The relevant details / disclosures of the proposed issue are given below:

1. The Equity Shares issued pursuant to the abovementioned resolution shall be subject to lock-in in accordance with Regulations 78 and 79 of the SEBI ICDR Regulations. However, subject to the aforesaid lock-in, the Equity Shares shall be transferable and transmittable in the same manner and to the same extent as permitted under applicable laws, and shall be subject to the same restrictions and limitations as any other equity shares of the Company.
2. The Equity Shares shall rank pari passu inter se and with the then existing equity shares of the Company in all respects, including in relation to rights to dividend.

The disclosures prescribed under Regulation 73 of the ICDR Regulations in respect of the Resolution proposed at Item No. 4, are as follows:

**a) The objects of the preferential issue:**

The object(s) of this preferential allotment is redemption of the NCRPS by way of fresh issue of Equity Shares by the Company.

Type of security offered and the number of security offered:

The Company has decided to issue 17,669,000 (one crore seventy six lakhs sixty nine thousand) equity shares of the Company of face value ₹ 2 (Indian Rupees Two) each ("**Equity Shares**") at a price of ₹ 5.25 (including premium of ₹ 3.25) per equity share, ranking pari passu in all respects with the existing fully paid up equity shares of the Company by way of preferential allotment to the existing holders of NCRPS (hereinafter referred to as the "**Proposed Allottees**").

**b) Proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:**

Of the said allotment of 17,669,000 Equity Shares, 3,465,000 Equity Shares are proposed to be subscribed by Paramount Telecables Limited, company forming part of the Promoter Group. Further, 6,178,000 Equity Shares are proposed to be allotted to Mrs. Shashi Aggarwal and Mrs. Archana Aggarwal each, who are "relatives" of the promoter directors of the Company. No other promoters, directors or key management personnel of the Company will subscribe to the offer.

**c) Equity Shareholding Pattern before and after the Preferential Issue**

Sr. No.	Particulars	Pre Issue holding as on June 30, 2017		Post Issue shareholding pattern	
		No. of Equity Shares	% age	No. of Equity Shares	% age
<b>A</b>	<b>Promoter Shareholding</b>				
	Paramount Telecables Limited	24,851,500	19.84	28,316,500	19.82
	Mrs. Shashi Aggarwal	2,309,800	1.84	8,487,800	5.94
	Mrs. Archana Aggarwal	417,855	0.33	6,595,855	4.62
	Remaining Promoter & Promoter Group	37,010,443	29.57	37,010,443	25.90
	<b>Total Promoter Group holding (A)</b>	<b>64,589,598</b>	<b>51.58</b>	<b>80,410,598</b>	<b>56.27</b>
<b>B</b>	<b>Public Shareholding</b>				
	Mr. Mahesh Chand Goyal	1,454,788	<b>1.16</b>	3,302,788	2.31
	FIs / Banks / Insurance Companies	900,000	<b>0.72</b>	900,000	<b>0.63</b>
	FIIIs / FPIs	100,000	<b>0.08</b>	100,000	<b>0.07</b>



Sr. No.	Particulars	Pre Issue holding as on June 30, 2017		Post Issue shareholding pattern	
		No. of Equity Shares	% age	No. of Equity Shares	% age
	NRIs / OBCs	637,170	<b>0.50</b>	637,170	<b>0.45</b>
	Resident Companies	13,833,867	11.03	13,833,867	9.68
	Resident Individuals	40,659,704	32.47	40,659,704	28.45
	Others	3,058,338	2.44	3,058,338	2.14
	<b>Total Public holding (B)</b>	<b>60,643,867</b>	<b>48.42</b>	<b>62,491,867</b>	<b>43.73</b>
	<b>Grand Total (A) + (B)</b>	<b>125,233,465</b>	<b>100.00</b>	<b>142,902,465</b>	<b>100.00</b>

**d) Proposed time within which the allotment shall be completed**

The Equity Shares shall be allotted within a period of 15 days or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

**e) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees; the percentage of post preferential issue that may be held by them and change in control, if any, in the Company, consequent to the preferential issue.**

The details of the Proposed Allottees are as per the following table. No change in control is contemplated consequent to the proposed preferential issue of Equity Shares. There will not be any change in the management control of the Company on account of the proposed preferential allotment of Equity Shares except a corresponding change in the shareholding pattern as well as the voting rights. Save and accept the preferential issue as proposed in the resolution as set out in the accompanying Notice, the Company made no other issue or allotment of securities on preferential basis during the year.

Sr. No.	Proposed Allottee	Natural person who are / is the ultimate beneficial owners / who control the proposed allottee	No. of Equity shares to be allotted	Pre-Issue Shareholding		Post-Issue Shareholding	
				No. of Equity Shares	% age	No. of Equity Shares	% age
1.	Paramount Telecabes Limited	Body Corporate Mrs. Shashi Aggarwal and Mrs. Archana Aggarwal are the beneficial owners controlling 99.90% of the shareholding of Paramount Telecabes Limited	3,465,000	24,851,500	19.84	28,316,500	19.82
2.	Mrs. Shashi Aggarwal	Individual (forming part of the Promoter Group)	6,178,000	2,309,800	1.84	8,487,800	5.94
3.	Mrs. Archana Aggarwal	Individual (forming part of the Promoter Group)	6,178,000	417,855	0.33	6,595,855	4.62
4.	Mr. Mahesh Chand Goyal	Individual (Public Shareholder)	1,848,000	1,454,788	<b>1.16</b>	3,302,788	2.31

**f) Undertaking by the Company**

The Company undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the SEBI ICDR Regulations where it is required to do so.

**g) Lock-in**

The Equity Shares allotted will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 78 and 79 of the ICDR Regulations.

The entire pre-preferential allotment shareholding of the Proposed Allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of the trading approval. The Company undertakes that if the amount payable on account of the re-computation of price, if any, is not paid within the time stipulated in the ICDR Regulations, the Equity Shares shall continue to be locked-in till the time such amount is paid by the Proposed Allottees.

**h) Auditors Certificate**

A copy of the certificate of the Company's statutory auditor certifying that the issue is being made in accordance with the requirements of the SEBI ICDR Regulations shall be placed before the Shareholders at the Annual General Meeting of the Company and the same shall be open for inspection at the registered office of the Company between 11:00 a.m. and 1.00 p.m. on all working days till the date of the Annual General Meeting.

The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the SEBI ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The Board of Directors of the Company recommends passing of the resolution as set out at Item No. 4 relating to issue of Equity Shares in the notice as Special Resolution.

Accordingly, the Special Resolution proposed at Item No. 4 will, if passed, enable the Company to issue and allot Equity Shares on a preferential basis to the Proposed Allottees in the manner and to the extent as stated in the resolution.

Mr. Sanjay Aggarwal, Chairman & CEO and Mr. Sandeep Aggarwal, Managing Director and their relatives, being part of promoter / promoter group, are concerned or interested in the above referred resolution to the extent of their shareholding in the Company and the proposed allotment.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than specified above, are in any way concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their individual shareholding in the Company.

**Item No 5**

As per the provisions of Section 181 of the Companies Act, 2013, the Board of Directors of the Company is authorized to make contributions for charitable purposes, provided that prior permission of the Members is obtained for such contribution, in case such contribution exceeds five percent of its average net profits during the three immediately preceding financial years. The approval of the members is being sought, pursuant to Section 181 of the Act, for authorizing the Board of Directors of the Company to make contribution to bona fide charitable and other funds, in a financial year, exceeding five percent of the Company's average net profits during the three immediately preceding financial year, subject to a limit of ₹ 25 Lac (Rupees Twenty Five Lac only) in any Financial year.

Therefore, the Board of Directors recommends the proposed resolution for your approval.

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

**Item No 6**

The Board of Directors at their meeting held on 29<sup>th</sup> May, 2017, 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 2017-18 and also fixed their remuneration for the said purpose at the rate of ₹ 50,000/- (Rupees Fifty Thousand Only) and out of pocket expenses plus Taxes thereon.

Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Therefore, the Board of Directors recommends the proposed resolution for your approval.

None of the Directors, Key Managerial Personnel or any of their relatives is concerned or interested, financially or otherwise, in this resolution.

## E-Voting

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

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

The electronic voting period commences on Monday, 14<sup>th</sup> August, 2017 (9:00 A.M.) and ends on Wednesday, 16<sup>th</sup> August, 2017 (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 10<sup>th</sup> August, 2017, may cast their vote electronically.

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

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

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

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

- 6) After entering these details appropriately, click on "SUBMIT" tab.
- 7) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- 8) Click on the EVSN on which you choose to vote.
- 9) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 10) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 11) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

12) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

**Other Instructions:**

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- The electronic voting period commences on Monday, 14<sup>th</sup> August, 2017 (9:00 A.M.) and ends on Wednesday, 16<sup>th</sup> August, 2017 (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 10<sup>th</sup> August, 2017, may cast their vote electronically.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30<sup>th</sup> June, 2017;
- Members may cast their votes separately for each business to be transacted in the Annual General Meeting. For example, a member may cast his vote in favour of some resolution and may cast not in favour/ against some resolution. A member may also elect not to vote on some resolution.
- Once the vote on a resolution is casted by the member, he shall not be allowed to change or modify it subsequently;
- Member can log in any number of times till he has voted on all the resolutions or till the end of the voting period (i.e. till the last date of receipt of e-votes), whichever is earlier.
- Members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If member opts for e-voting, then he does not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be ignored.
- Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Mr. Anil Kumar Popli of M/s A.K. Popli & Co., Practicing Company Secretary (Membership No: 3387; CP No. 2544) has been appointed as the scrutinizer to the electronic voting process, who shall prepare and submit their report of the votes cast in favour or not in favour/ against, to the Chairman of the Annual General Meeting.
- The results declared along with the scrutinizer’s report shall be placed on the website of the Company and on the website of CDSL.
- Subject to receipt of the sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting;
- Notice of the meeting is also displayed at [www.paramountcables.com](http://www.paramountcables.com)

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

<b>Name of the Director alongwith DIN</b>	<b>Mr. Sanjay Aggarwal (DIN: 00001788)</b>
<b>Relationship with other Directors inter-se</b>	Brother of Mr. Sandeep Aggarwal
<b>Date of Appointment</b>	01/11/1994
<b>Expertise in specific functional areas</b>	<ul style="list-style-type: none"> <li>• Creative Thinker and future oriented industrialist.</li> <li>• Eminent Businessman with vast knowledge and experience in cable and telecom industry.</li> </ul>
<b>Qualification</b>	B.Com(H) from Shri Ram College of Commerce, University of Delhi.
<b>No. of Equity Shares held in the Company</b>	58,26,100 Equity Shares
<b>List of other companies in which Directorships are held</b>	NIL
<b>List of Committees of the Board of Directors (across all companies) in which Chairmanship/Membership</b>	NIL

**Note:**

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

## DIRECTORS' REPORT

To,  
The Members,

Your directors hereby present the 23<sup>rd</sup> Annual Report along with audited statement of accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2017 is summarised below:

(₹/Lac)

	Year ended 31.03.2017	Year ended 31.03.2016
<b>Gross Turnover including Other Income</b>	<b>35,444.81</b>	<b>34,633.17</b>
<b>Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional Items</b>	<b>(4,516.50)</b>	<b>(4,307.74)</b>
Interest	1,840.29	7,215.54
Depreciation & Amortisation expenses	816.58	858.35
Profit/(Loss) before Tax and Exceptional Items	(7,173.37)	(12,381.63)
Exceptional Items	7,142.04	152.61
Provision for Taxation	-	-
<b>Profit/(Loss) after Tax and Exceptional Items</b>	<b>(31.33)</b>	<b>(12,229.02)</b>
Taxation for earlier years	-	-
<b>Net Profit/(Loss) for the year</b>	<b>(31.33)</b>	<b>(12,229.02)</b>

The Company achieved gross turnover including other income of ₹35,444.81 Lac and incurred a net loss of ₹31.33 Lac for the financial year 2016-2017 as against gross turnover including other income of ₹34,633.17 Lac and net loss of ₹12,229.02 Lac in financial year 2015-2016. Losses before exceptional items have been ₹7,173.37 Lac as against net loss of ₹12,381.63 Lac during previous year 2015-2016.

### 2. DIVIDEND

In view of losses incurred by the Company during the current financial year, your directors do not recommend declaration of any dividend for the financial year 2016-2017.

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

During the year under review, some of the Banks of the consortium have assigned their loan, together with all underlying securities thereto, to an Asset Reconstruction Company (ARC), for settlement of their entire dues.

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

Outstanding FCCBs amounting to US\$ 7.5 million having face value of US\$ 5 Thousand Per Bond were due for redemption on 23<sup>rd</sup> November, 2011 at a premium equal to 45.54% of the outstanding principal amount i.e. redemption value @ US\$ 7,277 Per Bond. Your directors are in discussion with the bond holders for restructuring the terms of FCCBs and intend to settle the outstanding FCCBs on such terms as may be in the best interests of the Company.

The Bonds are listed at Luxembourg Stock Exchange.

### 5. FUTURE OUTLOOK

As a result of policies formulated by the Government of India, the domestic Optical Fibre Cables industry is expected to grow at a good pace. Other sectors like Power, Railway and Copper Telecom Cables are also

expected to grow at a better pace as compared to last year. However, competitive conditions are likely to persist over the medium-term in the cable industry. The Company's focus in future, shall be to sustain and increase the momentum in its business segments namely, Optical Fibre and Copper Telecom Cables, power cables and railway signalling cables etc. by leveraging its inherent strength of product development as per evolving industrial standards and superior project execution capabilities to drive both the short term and long term growth.

Your Company's vision for the coming year is to be a key participant in every relevant initiative of the Government so as to improve growth and development prospects of the Company.

## **6. TRANSFER TO RESERVES**

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

## **7. PUBLIC DEPOSITS**

During the financial year 2016-2017, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **8. BOARD OF DIRECTORS**

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sanjay Aggarwal (DIN: 00001788), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment as a Director.

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

## **9. DECLARATION OF INDEPENDENCE**

In compliance with the provisions of Section 149 (7) of the Companies Act, 2013, each Independent Director has given a written declaration to the Company, thereby confirming that he/she meets the criteria of independence as mentioned under Section 149 (6) of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **10. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- ii) They had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) They had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2017 on a 'going concern' basis;



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

## **11. BOARD EVALUATION**

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

## **12. REMUNERATION POLICY**

Based on the recommendation of the Nomination and Remuneration Committee, the Board as approved the nomination & remuneration policy for Directors, KMP & all other employees of the company. A copy of the Policy is available at website of the company.

## **13. KEY MANAGERIAL PERSONNEL**

Mr. Sanjay Aggarwal, Chairman & CEO, Mr. Sandeep Aggarwal, Managing Director, Mr. Shambhu Kumar Agarwal, Chief Financial Officer and Ms. Tannu Sharma, Company Secretary are the Key Managerial Personnel of your Company under the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. There has been no change in the Key Managerial Personnel of the company, during the year under review.

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

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

## **15. 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.

## **16. AUDITORS**

As per the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the Audit Committee have proposed and the Board of Directors of the Company has recommended the appointment of P. Bholusaria & Co., Chartered Accountants (Firm Registration No.: 000468N) as the statutory auditors of the Company. P. Bholusaria & Co., will hold office for a period of five consecutive years from the conclusion of the 23<sup>rd</sup> Annual General meeting of the Company, scheduled to be held on 17<sup>th</sup> August, 2017, till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2022, subject to the approval of the shareholders of the Company. The first year of audit will be of the financial statements for the year ending 31<sup>st</sup> March, 2018, which will also include the review of the quarterly financial statement for the year.

A certificate from the proposed Auditors have been received to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

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

Auditors Report point No. 8 & 10: Non-provision of interest and other dues and preparation of financial statements on going concern basis:

#### Management's Views:

- a. Company has obtained balance confirmation from the bank as on 31<sup>st</sup> March, 2017 and there are no material difference between outstanding as per the bank & outstanding as per company's books of accounts. Management is of the opinion that no further interest is to be provided, other than that has already been accounted for.
- b. The financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:
  - The company has not defaulted in payment of statutory dues or its trade creditors etc.;
  - The company has entered in Settlement agreement with ARC for dues of two banks assigned to the ARC. Further, Company is negotiating with ARC for settlement of dues for another bank.
  - Subsequent to the year end, Company has entered into a settlement agreement with one 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.
  - The company has strong order book position.

#### 18. COST AUDITORS

As per Section 148 read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. Jain Sharma & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2017-2018 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 Companies (Audit & Auditors) Rules, 2014 & 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.

#### 19. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. A.K. Popli & Co., Practicing Company Secretaries, were appointed to as the Secretarial Auditor of the Company for the financial year 2016-2017. The Secretarial Audit report for financial year 2016-2017 to undertake the secretarial of the company, forms an integral part of this Annual Report as "Annexure-B" to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark requiring explanation or comment from the Board under Section 134 (3) of the Companies Act, 2013.

#### 20. SUBSIDIARIES

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

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

#### Notes:

- 1) *\*The Board of Directors of Paramount Holdings Limited intends to liquidate the Company, in accordance with the applicable laws.*

- 2) *\*\*AEI Power Cables Limited, United Kingdom has ceased to trade and became dormant w.e.f. 1<sup>st</sup> April, 2017. The management of the Company intends to keep the company in existence, for use in foreseeable future, as and when required.*
- 3) *\*\*\*"06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom, a subsidiary of the Company, is under Administration w.e.f. 28<sup>th</sup> February, 2014.*

The Consolidated financials include un-audited financials of Paramount Holdings Limited, Cyprus and audited financials of AEI Power Cables Ltd., United Kingdom for the year ended 31<sup>st</sup> March, 2017.

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

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

Your Company has been registered with the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of Sick Industrial Companies (Special Provisions) Act, 1985 vide case no. 77/2013, order dated 31<sup>st</sup> October, 2013. However, Ministry of Finance vide Notifications dated November 25, 2016, has appointed 1<sup>st</sup> December, 2016 as the date on which the provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 shall come into effect and Section 4(b) of the SICA Repeal Act shall be enforced. With the effectiveness of the SICA Repeal Act, the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") stand repealed and the Board for Industrial and Financial Reconstruction ("BIFR") and the Appellate Authority for Industrial and Financial Reconstruction ("AAIFR") also stand dissolved.

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

During the year under review some of the banks have assigned their debts to an ARC. The company is hopeful that the remaining banks also assign/settle their dues during the current year.

Apart from this, the Company is exploring possibilities of new investors.

The Company has also taken several measures to reduce its cost.

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

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

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

## **24. ISO CERTIFICATION**

The Company holds ISO 9001:2008 and ISO 14001:2004 certifications for both of its plants at Khushkhara, 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.

## **25. PARTICULARS OF EMPLOYEES**

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

## **26. RELATED PARTY TRANSACTIONS**

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

During the year 2016-2017, pursuant to Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, all Related Party Transactions were placed before the Audit Committee and also for the Board approval, wherever required. Prior/omnibus approval of the Audit Committee is generally obtained for the transactions which are of a foreseen and repetitive nature and these transactions are reviewed by the Audit Committee on quarterly basis.

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

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

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

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

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

## **28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

## **29. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

## **30. EXTRACT OF ANNUAL RETURN**

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

## **31. RISK MANAGEMENT**

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

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

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

### 32. CODE OF CONDUCT

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

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

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

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

Due to the continuous losses and negative net worth of the company, the provisions are not applicable to the Company, hence, the Company is not required to make expenditure on CSR, and no CSR committee as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014, has been formulated.

### 34. VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

### 35. INSURANCE

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

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

The money lying in the unpaid dividend account relating to dividend paid in the financial year 2007-2008, was duly transferred to the Investor Education and Protection Fund during the previous year. Thereafter the company has not declared any dividend.

### 37. LISTING OF SHARES

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

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

### 38. INDUSTRIAL RELATIONS

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

The Company humbly acknowledge 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.

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

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

### 40. GENERAL

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

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c) Neither the Managing Director nor the Whole Time Director of the Company receives any remuneration or commission from any of its subsidiaries.
- d) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- e) During the year under review, there were no cases filed or reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 41. ACKNOWLEDGEMENT AND APPRECIATION

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

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

**For and on behalf of the Board**

Place: New Delhi  
Date : 30.06.2017

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

## **ANNEXURE I TO THE DIRECTORS' REPORT**

**Disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as per section 134(3)(m) of the Companies Act, 2013 and the rules made thereunder and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2017.**

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

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

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

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

R & D expenditure has not been accounted for separately.

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

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

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

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

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

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

##### **Total Foreign exchange used and earned**

Earnings : ₹1,499.01 Lac.

Outgo : ₹3,515.03 Lac.

**For and on behalf of the Board**

Place: New Delhi  
Date : 30.06.2017

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



## Annexure-A

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

- A. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (₹ in Lac)	% increase in Remuneration in the financial year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Sanjay Aggarwal (Whole Time Director)	46.46	NIL	12.63
2.	Mr. Sandeep Aggarwal (Managing Director)	45.41	NIL	12.34
3.	Mr. Shambhu Kumar Aggarwal (Chief Financial Officer)	21.62	11.96%	5.88
4.	Ms. Tannu Sharma (Company Secretary)	5.76	26.31%	1.48

**Note:** No other Director except the Managing Director and Whole Time Director received any remuneration other than sitting fees during the financial year 2016-2017.

- B. There were 301 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2017.
- 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 2016-2017 was 10.4%.
- 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, 2017 is as per the Remuneration Policy of the Company.

**Annexure-B****SECRETARIAL AUDIT REPORT**

(For the financial year ended 31<sup>st</sup> March, 2017)

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

To,  
The Members  
Paramount Communications Limited,  
Regd. Office: C-125, Naraina Industrial Area,  
Phase -I, New Delhi - 110028.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the period ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *it may be noted that during the year under review there was no Foreign Direct Investment, overseas Direct Investment and External Commercial borrowings.*
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;  
*(Not applicable to the Company during the year under review)*
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
*(Not applicable to the Company during the year under review)*
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(provisions thereof not applicable to the Company during the year under review. However, company's application for voluntary de-listing of equity shares at the Calcutta Stock Exchange Association Ltd. Kolkata during the year 2003-04 is still pending disposal);* and
  - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998  
*(provisions thereof not applicable to the Company during the year under review);*
  - h. the Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
  - i. The Memorandum and Articles of Association of the Company.

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

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

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

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

4. **We further report that:**

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
  - ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - iii) As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
  - iv) The Company has obtained all necessary approvals under the various provisions of the Act; and
  - v) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - vi) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
5. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
  6. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
  7. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
8. **I further report that:**
    - a. the Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Equity Listing Agreements entered into with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited)
    - b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
    - c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

**I further report that:**

- a) There are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) Complied with the following laws specifically applicable to the Company:
  - i) Factories Act, 1948
  - ii) Pollution laws including Environment Protection Act and rules made thereunder.
  - iii) Labour laws

- iv) The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an internal complaints system.
- c) The following are other observations:
- The company was registered with BIFR under Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 and rules made thereunder vide Registration No. 77/2013. However, Ministry of Finance vide Notifications dated November 25, 2016, has appointed 1<sup>st</sup> December, 2016 as the date on which the provisions of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 shall come into effect and Section 4(b) of the SICA Repeal Act shall be enforced. With the effectiveness of the SICA Repeal Act, the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA") shall stand repealed and the Board for Industrial and Financial Reconstruction ("BIFR") and the Appellate Authority for Industrial and Financial Reconstruction ("AAIFR") shall stand dissolved.
  - The Foreign Currency Convertible Bonds (FCCBs) issued by the Company in the international market are listed at Luxembourg Stock Exchange, Luxembourg and we do not comment on the compliances as may be prescribed by Luxembourg Stock Exchange as it is outside the purview of audit. As per the information, the outstanding US \$ 7.5 Million Foreign Currency Convertible Bonds (FCCB's) of the company were due for repayment on 23<sup>rd</sup> November 2011. However, these bonds were not redeemed on their redemption date and are still outstanding.
- d) The Company's account with one of its Banker became Non-Performing Asset (NPA) as per Bank classification w.e.f. 01.07.2016, as the Company has not provided for interest and other dues of **₹29,917,920/-**, on borrowings from Bank.
- e) Some of the Banks have assigned and transferred their debts to an Asset Reconstruction Company (ARC). As per the terms settled with the ARC, the settled amount is to be repaid in instalments in a phased manner.

#### D) **Legal cases**

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

Sl. No.	Name of case	Court	Amount involved (₹ in Lac)	Status
1.	Escorts Ltd. Vs. PCL	Civil Court, Faridabad	26.25	Case has been stayed sine die.
2.	PCL Vs. Mass Media	High Court, New Delhi	35.98	The Company is hopeful to get favourable orders.
3.	PCL Vs. Oriental Containers Ltd.	City Court, Mumbai	28.40	The Company is hopeful to get favourable orders.
4.	PCL Vs. Lanco Infratech Limited	High Court, Hyderabad	457.27	The matter is pending before the Court.
5.	PCL vs. Aar Vee Controls Private Limited	Patiala House, New Delhi	10.68	The matter is pending before the Court.
6.	PCL Vs. Base Corporation Limited	Civil Judge, Sohna, Himachal Pradesh	7.94	The matter is pending before the Court.
7.	PCL Vs. Vidyut Traders and Ors.	Patiala House, New Delhi	2.50	The matter is pending before the Court.
8.	PCL Vs. Toreader Marketing Pvt Ltd and Ors.	Patiala House, New Delhi	0.60	The matter is pending before the Court.

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

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

Place : Delhi  
Date : 16.06.2017

**Annexure-C**
**Form No. AOC-2**

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

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

- Details of contracts or arrangements or transactions not at arm's length basis.  
There were no contracts or arrangements or transactions entered in to during the year ended 31<sup>st</sup> March, 2017, which were not at arm's length basis.
- 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, 2017 are as follows:

Name of Related Party	Nature of Relationship	Duration of Contracts/ Arrangements/ Transactions	Salient terms	Amount (₹ in Lac)
<b>Rent Paid</b>				
Paramount Telecables Limited	Common Control	1 <sup>st</sup> April, 2016- 31 <sup>st</sup> March, 2017	As per the Agreement	208.56
<b>Sales</b>				
Paramount Wires and Cables Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2016- 31 <sup>st</sup> March, 2017	Based on Arm's Length Price	2236.14
Valens Technologies Private Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2016- 31 <sup>st</sup> March, 2017	Based on Arm's Length Price	1.67
<b>Purchase of Raw Material</b>				
Paramount Wires and Cables Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2016- 31 <sup>st</sup> March, 2017	Based on Arm's Length Price	232.13
Surya Laboratories Private Limited	Relatives of KMP have significant influence	1 <sup>st</sup> April, 2016- 31 <sup>st</sup> March, 2017	Based on Arm's Length Price	211.12

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

As on the financial year ended on 31<sup>st</sup> March, 2017  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L74899DL1994PLC061295
- ii) Registration Date : 5<sup>th</sup> September, 1994
- iii) Name of the Company : Paramount Communications Limited
- iv) Category/Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : C-125, Naraina Industrial Area, Phase-1,  
Naraina, New Delhi-110028  
Tel No.:011-45618800  
E-mail: [pcl@paramountcables.com](mailto:pcl@paramountcables.com)
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited  
44, II<sup>nd</sup> Floor, Community Centre,  
Naraina Industrial Area, Phase-I,  
New Delhi-110028  
011-41410592/93/94

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

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	22181155	-	22181155	17.70	22244796	-	22244796	17.76	+0.06
b) Central Government	-	-	-	-	-	-	-	-	NIL
c) State Government	-	-	-	-	-	-	-	-	NIL
d) Bodies Corporate	42344802	-	42344802	33.81	42344802	-	42344802	33.81	NIL
e) Banks/FI	-	-	-	-	-	-	-	-	NIL
f) Any Other....	-	-	-	-	-	-	-	-	NIL
<b>Sub-Total (A) (1)</b>	<b>64525957</b>	<b>-</b>	<b>64525957</b>	<b>51.52</b>	<b>64589598</b>	<b>-</b>	<b>64589598</b>	<b>51.58</b>	<b>+0.06</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	NIL
b) Other-Individuals	-	-	-	-	-	-	-	-	NIL
c) Bodies Corporate	-	-	-	-	-	-	-	-	NIL
d) Banks/FI	-	-	-	-	-	-	-	-	NIL
e) Any Other....	-	-	-	-	-	-	-	-	NIL
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	<b>64525957</b>	<b>-</b>	<b>64525957</b>	<b>51.52</b>	<b>64589598</b>	<b>-</b>	<b>64589598</b>	<b>51.58</b>	<b>+0.06</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	NIL
b) Banks/FI	900000	-	900000	0.72	900000	-	900000	0.72	NIL
c) Central Government	-	-	-	-	-	-	-	-	NIL
d) State Government	-	-	-	-	-	-	-	-	NIL
e) Venture Capital Fund	-	-	-	-	-	-	-	-	NIL
f) Insurance Companies	-	-	-	-	-	-	-	-	NIL
g) FIIs	100000	-	100000	0.08	100000	-	100000	0.08	NIL
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	NIL
i) Others	-	-	-	-	-	-	-	-	NIL
<b>Sub-Total (B) (1)</b>	<b>1000000</b>	<b>-</b>	<b>1000000</b>	<b>0.80</b>	<b>1000000</b>	<b>-</b>	<b>1000000</b>	<b>0.80</b>	<b>NIL</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	14589869	15805	14605674	11.66	14853435	15805	14837630	11.86	+0.20
ii) Overseas	-	-	-	-	89250	-	89250	0.07	+0.07
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 Lac	25924201	1201818	27126019	21.65	28638816	1190644	29829460	23.81	+2.16
ii) Individual shareholders holding nominal share capital in excess of ₹2Lac	13146396	0	13146396	10.48	10362708	0	10362708	8.27	-2.21
c) Others (NRI Non Repat)	253072	0	253072	0.20	125881	0	125881	0.10	-0.10
i) Trusts	3247	0	3247	0.00	1747	0	1747	0.00	0.00
ii) Non-Resident Indians	868467	0	868467	0.70	464316	0	464316	0.35	-0.35
iii) Clearing Members	375805	0	375805	0.30	758042	0	758042	0.59	+0.29
iv) Hindu Undivided Family	3027078	0	3027078	2.41	3159028	0	3159028	2.53	+0.12
<b>Sub-Total (B) (2)</b>	<b>58188135</b>	<b>1217623</b>	<b>59405758</b>	<b>47.43</b>	<b>58437418</b>	<b>1206449</b>	<b>59643867</b>	<b>47.62</b>	<b>+0.18</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>59188135</b>	<b>1217623</b>	<b>60405758</b>	<b>48.23</b>	<b>59437418</b>	<b>1206449</b>	<b>60643867</b>	<b>48.42</b>	<b>+0.18</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>301750</b>	<b>-</b>	<b>301750</b>	<b>0.24</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-0.24</b>
<b>Grand Total (A+B+C)</b>	<b>124015842</b>	<b>1217623</b>	<b>125233465</b>	<b>100.00</b>	<b>124027016</b>	<b>1206449</b>	<b>125233465</b>	<b>100.00</b>	<b>NIL</b>

**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Sanjay Aggarwal	5826100	4.65	100.00	5826100	4.65	100.00	NIL
2.	Sandeep Aggarwal	5732300	4.58	100.00	5732300	4.58	100.00	NIL
3.	Kamla Aggarwal	2903600	2.32	100.00	2903600	2.32	100.00	NIL
4.	Kamla Aggarwal	2828000	2.26	100.00	2828000	2.26	100.00	NIL

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
5.	Shyam Sunder Aggarwal (HUF)	42000	0.03	100.00	42000	0.03	100.00	NIL
6.	Sanjay Aggarwal (HUF)	700000	0.56	100.00	700000	0.56	100.00	NIL
7.	Sandeep Aggarwal (HUF)	325000	0.26	100.00	325000	0.26	100.00	NIL
8.	Shashi Aggarwal Jtly with Archana Aggarwal	1900000	1.52	100.00	1900000	1.52	100.00	NIL
9.	Shashi Aggarwal	409800	0.33	100.00	409800	0.33	100.00	NIL
10.	Archana Aggarwal	417855	0.33	100.00	417855	0.33	100.00	NIL
11.	Parul Aggarwal	274125	0.22	100.00	337766	0.28	81.16	+0.06
12.	Tushar Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
13.	Dhruv Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
14.	Parth Aggarwal	274125	0.22	100.00	274125	0.22	100.00	NIL
15.	April Investment and Finance Pvt. Ltd.	13040172	10.41	100.00	13040172	10.41	100.00	NIL
16.	Worth Finance and Leasing Pvt. Ltd.	4424330	3.53	100.00	4424330	3.53	100.00	NIL
17.	Ekta Ayat Niryat Pvt. Ltd.	10750	0.01	100.00	10750	0.01	100.00	NIL
18.	Hertz Electricals (International) Pvt. Ltd.	18050	0.01	100.00	18050	0.01	100.00	NIL
19.	Paramount Telecables Ltd.	24851500	19.84	100.00	24851500	19.84	100.00	NIL
	<b>Total</b>	<b>64525957</b>	<b>51.52</b>	<b>100.00</b>	<b>64589598</b>	<b>51.58</b>	<b>100.00</b>	<b>0.06</b>

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

Promoter's Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	<b>64525957</b>	<b>51.52</b>	<b>64525957</b>	<b>51.52</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	<b>Increase in shares, purchase of 63641 shares in three tranches on 26.08.2016, 02.09.2016 and 09.09.2016</b>	<b>0.06</b>		
At the end of the year	<b>64589598</b>	<b>51.58</b>	<b>64589598</b>	<b>51.58</b>

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Life Secured. Com Pvt. Ltd.	3375000	2.70	3375000	2.70
2.	Darpan Jain	2831424	2.26	3331156	2.66
3.	Mahesh Chand Goyal	0	0	1454788	1.16
4.	Luke Securities Private Limited	1227883	0.98	1227883	0.98
5.	Pickup Electronics Private Limited	1110958	0.89	1110958	0.89
6.	Dacha Developers Private Limited	945000	0.75	945000	0.75
7.	KDS Corporation Pvt. Ltd.	930005	0.74	930005	0.74
8.	Ratnamani Food Products Pvt. Ltd.	905500	0.72	905500	0.72
9.	General Insurance Corporation Of India	900000	0.72	900000	0.72
10.	Scotia Enterprises Pvt. Ltd.	782559	0.63	97559	0.07
11.	Abhinav Goyal	1375020	1.09	1375020	1.09

**v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Sanjay Aggarwal	5826100	4.65	5826100	4.65
2.	Sandeep Aggarwal	5732300	4.58	5732300	4.58
	<b>Total</b>	<b>11558400</b>	<b>9.23</b>	<b>11558400</b>	<b>9.23</b>

**V. INDEBTEDNESS**

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	39582.11	7271.23	-	46853.34
ii) Interest due but not paid	10810.47	298.37	-	11108.84
iii) Interest accrued but not due	8.8	18.38	-	27.18
<b>Total (i+ii+iii)</b>	<b>50401.38</b>	<b>7587.98</b>	<b>-</b>	<b>57989.36</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	0
Reduction	2278.49	105.41	-	2383.9
<b>Net Change</b>	<b>2278.49</b>	<b>105.41</b>	<b>-</b>	<b>2383.9</b>

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	47833.85	7101.53	-	54935.38
ii) Interest due but not paid	280.39	366.12	-	646.51
iii) Interest accrued but not due	8.65	14.92	-	23.57
<b>Total (i+ii+iii)</b>	<b>48122.89</b>	<b>7482.57</b>	<b>-</b>	<b>55605.46</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹ in Lac)
		Mr. Sanjay Aggarwal (Whole Time Director)	Mr. Sandeep Aggarwal (Managing Director)	
1.	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39.00	39.00	<b>78.00</b>
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	2.12	3.18	<b>5.30</b>
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0	0	<b>0</b>
2.	Stock Option	0	0	<b>0</b>
3.	Sweat Equity	0	0	<b>0</b>
4.	Commission - As % of profit - Other, specify....	0	0	<b>0</b>
5.	Others, please specify	0	0	<b>0</b>
	<b>Total (A)</b>	<b>41.12</b>	<b>42.18</b>	<b>83.30</b>

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lac)
		Mr. S.P.S. Dangi	Mr. Satya Pal	Mr. Vijay Bhushan	Mrs. Malini Gupta	
1.	<b>Independent Directors</b>					
	Fees for attending board/ committee meetings	2.5	1.75	2.75	1.25	<b>8.25</b>
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>2.5</b>	<b>1.75</b>	<b>2.75</b>	<b>1.25</b>	<b>8.25</b>

2.	Other Non-Executive Directors	Mr. S.P.S. Dangi	Mr. Satya Pal	Mr. Vijay Bhushan	Mrs. Malini Gupta	
	Fees for attending board/committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Other, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>2.50</b>	<b>1.75</b>	<b>2.75</b>	<b>1.25</b>	<b>8.25</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Shambhu Kumar Agarwal (Chief Financial Officer)	Ms. Tannu Sharma (Company Secretary)	Total (₹ in Lac)
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10.68	2.62	<b>13.30</b>
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	10.94	2.85	<b>13.79</b>
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	0	0	<b>0</b>
2.	Stock Option	0	0	<b>0</b>
3.	Sweat Equity	0	0	<b>0</b>
4.	Commission - As % of profit - Others, specify	0	0	<b>0</b>
5.	Others, please specify	0	0	<b>0</b>
	<b>Total</b>	<b>21.62</b>	<b>5.47</b>	<b>27.09</b>

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

### **ECONOMIC OVERVIEW**

#### ***The Economic Perspective***

Economic growth of around 7.5 percent makes India among the fastest-growing G20 economies. In the current scenario, when many emerging markets are struggling, India has a strong growth trajectory, which coupled with its commitment to fiscal discipline exhibited over the last three years suggests that its deficit and debt ratios are likely to decline significantly over the coming years. The Indian Economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 percent (Source: Economic Survey 2016-17). On the positive side, the economy was buoyed by government consumption, as the 7<sup>th</sup> Pay Commission salary were implemented and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate.

India is expected to be the third largest consumer economy in the world as its consumption may triple to US\$ 4 trillion by 2025. Owing to the shift in consumer behaviour and expenditure pattern, India is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040. Indian Government is confident and has stated that, India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures.

#### ***Industry Development & Trends***

Price pressures remained on the upside at the start of 2016, with input costs and output prices both rising during the year. Many companies indicated that higher demand for raw materials had led to cost increases.

Veteran economists, while analysing Indian Manufacturing PMI survey data, stated that, opening month of 2016-17 saw a rebound in new business - from both domestic and external clients.

The expenditure on manufacturing activities should boost the 'Make in India' initiative of the Government. Also, the Central Government's 'Housing for All by 2022' (20mn houses for urban poor and 30mn for rural poor) and Smart Cities (development of 100 cities) missions promise to trigger fast-paced rollout of new homes. This should usher in multi-year growth for electrical products and appliances.

### **OPPORTUNITIES & THREATS**

#### ***Opportunities***

The wires and cable industry in India has come a long way, growing from being a small industry to a very large one, over the past few decades. With the segment comprising nearly 40 per cent of the electrical industry in India, the increasing demand for power, light and communication has kept demand for wires and cables high growing at a CAGR of 15 per cent, boosted by momentum in the power and infrastructure segments.

The Government of India has launched an initiative to create 100 smart cities as well as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities with an outlay of ₹48,000 Crore (US\$ 7.47 billion) and ₹50,000 Crore (US\$ 7.34 billion) respectively. Smart cities are satellite towns of larger cities which will consist of modern infrastructure and will be digitally connected and it is expected that cable industry will be witnessing a substantial rise in its growth prospectus.

Demonetisation is expected to have a positive impact on the Indian economy, which will help foster a clean and digitised economy in the long run, according to World Bank. Corporate earnings in India are expected to grow by over 20 per cent in FY 2017-18 supported by normalisation of profits (*source: [www.ibef.org](http://www.ibef.org)*)

### **Threats**

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

The calendar year just ended was a slog for the world economy. Weak international trade and subdued investment, among other culprits, conspired to slow world growth to its weakest pace since 2009. But, according to the latest projections by the World Bank, world economic growth is projected to pick up to 2.7 percent in 2017 from a sluggish rate of 2.3 percent last year.

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

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

#### ***Competition***

In view of the growth potential in the electrical industry, the space has seen increased number of players entering the segment. Increased competition is likely to put pressure on existing players.

Transforming challenges into opportunities has been a practice at Paramount and the Company only undertakes orders where quality is not compromised due to short term gains.

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

#### ***Power Sector***

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides

The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy. The Government has added 8.5 GW of conventional generation capacity during the April 2016-January 2017 period.

#### ***Railways***

Giving a big push to the infrastructure sector in the country, the Cabinet Committee on Economic Affairs, had approved several projects for expansion of railway network and connectivity across the country. The CCEA (Cabinet Committee on Economic Affairs) chaired by the Prime Minister have given green signal the massive line expansion programme that involves track construction of a total length of 1937.38 km at an estimated cost of ₹24,374.86 Crore. The government's continued thrust on electrification, network enhancement & decongestion of Indian Railways as well as the development of Metro rail projects across India are spelt as good news for the wire and cables sector. We are expecting that this will immensely benefit our Company, as we specialize in the manufacturing the product required for such expansion

#### ***Telecommunications***

The year 2016 is a landmark year in the Indian telecoms industry. The much-awaited sector consolidation set-in. Strong policy support from the government has been crucial to the sector's development. Foreign Direct Investment (FDI) cap in the telecom sector has been increased to 100 per cent from 74 per cent. The Government of India has allocated ₹10,000 crore (US\$ 1.5 billion) for rolling out optical fibre-based broadband network across 150,000 cumulative gram panchayats (GP) and ₹3,000 crore (US\$ 450 million) for laying optical fibre cable (OFC) and procuring equipment for the Network For Spectrum (NFS) project in 2017-18.

India's telecommunications market is expected to experience further growth, fuelled by increased non-voice revenues and higher penetration in rural market. Telecom penetration in the nation's rural market is expected to increase to 70 per cent by 2017. The Department of Telecommunications (DoT) has amended the Unified Licence for telecom operations which will allow sharing of active telecom infrastructure like antenna, feeder cable and transmission systems. Increasing subscriber base attracted a lot of investments and developments in the sector. The industry has claimed



FDI worth US\$ 23.92 billion in last 15 years, according to the data released by Department of Industrial Policy and Promotion (DIPP). According to the reports of leading research firm, the Indian telecommunication services market will likely grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020.

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

Real Estate industry will show signs of revival in the year 2017, with GST there is a long-term industrial growth and it also impacts on ease of business by transparency at work. Fall in interest rates would further add on to the growth of affordable housing which would seem to be beneficial for the house wiring sector in the longer term. Overall, we could assume that, the Real Estate sector will be witnessing remarkable growth as compared to last year, as the real estate industry leaders are bullish about the market's prospects in 2017.

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

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

The Company supplies various kinds of electric cables such as LT/HT Power Cables, Control Cables, Instrumentation Cables, Thermocouple Cables, Railway Signalling Cables, Copper Flexible & Industrial Wires. During the year the Company sold power cables amounting to ₹259.76 Crore as compared to ₹289.85 Crore in the previous year.

Power and Railway Cables constitute approximately 74.19% of gross turnover of the Company for the financial year 2016-2017.

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

The Company sold Jelly Filled Telephone Cables amounting to ₹50.28 Crore against ₹18.26 Crore in the previous year.

Jelly Filled Telephone Cables segment comprises 14.36% of Company's gross turnover for the financial year 2016-2017.

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

The growth in this segment has been long foreseen, the turnover of the Company in OFC has risen in the fiscal 2016-2017. The Company sold Optical Fibre Cables amounting to ₹37.45 Crore as compared to ₹32.64 Crore in the previous year.

Optical Fibre Cables comprises of 10.70% of gross turnover of the Company for the financial year 2016-2017. The Company needs to focus in this segment as the demand of OFC is likely to rise at a rapid pace in future.

## **COMPETITIVE BUSINESS STRATEGY & OUTLOOK**

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

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

### **Exports**

Despite the global economic meltdown, recession and poor economic conditions in the UK market, the Company's export business increased from ₹0.12 Crore during previous year to ₹14.99 Crore during the year under review.

### **Financial Performance**

The gross turnover (standalone) including other income of the Company is ₹354.45 Crore for the year ended 31<sup>st</sup> March, 2017 as compared to ₹346.33 Crore during the previous year. The Company has incurred a net loss of ₹0.31 Crore as against net loss of ₹122.29 Crore during previous year.

Total financial costs during the year have decreased to ₹18.95 Crore as against ₹73.79 Crore during previous year.

The consolidated gross turnover of the Company (including other income) is ₹354.45 Crore and the Company incurred net loss of ₹0.40 Crore for the year ended 31<sup>st</sup> March, 2017 as compared to ₹346.35 Crore and net loss of ₹123.88 Crore respectively during the previous year.

### **Borrowing position**

Borrowings excluding working capital facilities as at 31<sup>st</sup> March, 2017 are ₹428.71 Crore as compared to ₹215.99 Crore during the previous year. These borrowings include term loans from banks & Securitisation and Assets Reconstruction Company (ARC) of ₹424.97 Crore and loans from financial institutions of ₹3.74 Crore.

The liability against FCCBs amounting to ₹71.02 Crore as against ₹72.71 Crore in the previous year has not been included in above borrowings.

### **Fixed Assets**

Gross Fixed Assets as at 31<sup>st</sup> March, 2017 are ₹185.20 Crore as compared to ₹186.35 Crore as at 31<sup>st</sup> March, 2016.

### **Inventories**

Level of Inventories as at 31<sup>st</sup> March, 2017 is ₹13.31 Crore as compared to ₹53.88 Crore as at 31<sup>st</sup> March, 2016.

### **Sundry Debtors**

Sundry Debtors as at 31<sup>st</sup> March, 2017 are ₹116.20 Crore as compared to ₹133.77 Crore as at 31<sup>st</sup> March, 2016. These are considered good and realizable.

### **Earnings per Share**

Basic Earnings per Share for the year ended 31<sup>st</sup> March, 2017 is ₹(0.03) as compared to ₹(9.76) for the year ended 31<sup>st</sup> March, 2016 and Diluted Earnings per Share for the year ended 31<sup>st</sup> March, 2017 is ₹(0.03) as compared to ₹(9.76) for the year ended 31<sup>st</sup> March, 2016.

### **Internal Control System**

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

The Audit Committee of the Board regularly reviews significant audit findings of the Internal Audit covering operational, financial and other areas and provides guidance on further strengthening the internal controls framework.

### **Risk Management**

#### **Business Risk**

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

#### **Technology Risk**

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

#### **Financial Risk**

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

#### **Human Resources**

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

### **Cautionary Statement**

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

## REPORT ON CORPORATE GOVERNANCE

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

*The principles of good Corporate Governance are paramount at "Paramount".* Your Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, your Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

The Company has complied with all the regulations stipulated by the Securities and Exchange Board of India (SEBI) in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. This report, along with the Management Discussion and Analysis, constitutes Paramount's compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### 2. BOARD OF DIRECTORS

#### ➤ Composition of the Board

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

The Board consists of eminent persons with considerable professional expertise and experience in the Cable Industry, Finance, Capital Market and allied fields. The Board's actions and decisions are aligned with the Company's best interests. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies. In terms of the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume and the profile of director(s) seeking appointment/reappointment is annexed with the Notice for the ensuing Annual General Meeting.

The composition of the Board of Directors is as follows -

#### EXECUTIVE PROMOTER DIRECTORS

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

#### NON-EXECUTIVE INDEPENDENT DIRECTORS

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

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

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

During the financial year ended on 31<sup>st</sup> March, 2017, 4 (Four) Board meetings were held. The details are as follows:

Sl. No.	Date of Board Meeting	Board Strength	Total Number of directors Present	Number of independent directors Present
1.	27 <sup>th</sup> May, 2016	6	5	4
2.	5 <sup>th</sup> August, 2016	6	5	3
3.	11 <sup>th</sup> November, 2016	6	6	4
4.	10 <sup>th</sup> February, 2017	6	6	4

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM) held on 27<sup>th</sup> September, 2016, alongwith the number of other Directorships/Committee positions held by them in other Indian Public Limited companies during the year, are as follows:

Name of the Director	Board meetings attended during FY 2016-17	Attendance at the last AGM	No. of Directorships held in other companies*	Committee position held in other companies**	
				Chairperson	Member
Mr. Sanjay Aggarwal	3	Yes	0	0	0
Mr. Sandeep Aggarwal	4	Yes	0	0	0
Mr. S.P.S.Dangi	4	Yes	0	0	0
Mr. Satya Pal	3	Yes	0	0	0
Mr. Vijay Bhushan	4	No	4	2	1
Mrs. Malini Gupta	4	No	0	0	0

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

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

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

➤ **Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2016-2017:**

Aggregate value of salary, perquisites and commission paid during the financial year 2016-17 to the executive directors (Key Managerial Personnel) are as follows:-

(Amount in ₹)

Name	Salary and perquisites	Company's Contribution to P.F.	Sitting Fees	Total
Mr. Sanjay Aggarwal	41,78,380	468,000	Nil	46,46,380
Mr. Sandeep Aggarwal	40,72,870	468,000	Nil	45,40,870

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

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

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

The details of sitting fee paid to the directors for attending the Board and Committee meetings for the year ended 31<sup>st</sup> March, 2017 are as follows:

(Amount in ₹)

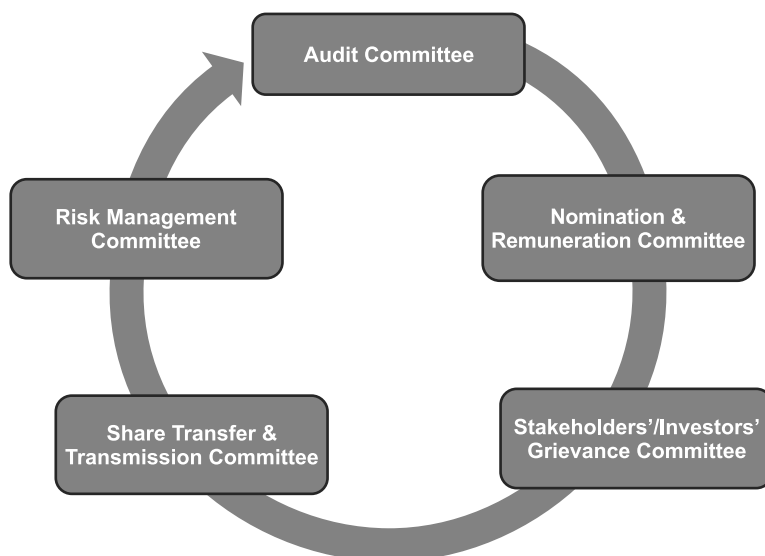
Sr. No.	Name of the Director	Sitting Fee paid
1.	Mr. S.P.S Dangi	250,000
2.	Mr. Satya Pal	175,000
3.	Mr. Vijay Bhushan	275,000
4.	Mrs. Malini Gupta	125,000

### ➤ Code of Conduct

The Board of Directors of the Company has laid down a code of conduct for all Board members and senior management personnel of the Company. All the directors and senior management personnel have affirmed compliance with this code for the year ended 31<sup>st</sup> March, 2017. The Code of conduct has been posted on the website of the Company viz. [www.paramountcables.com](http://www.paramountcables.com). A declaration of compliance of this code, duly signed by the Chairman & CEO, is annexed as **Annexure-A** to this report.

### 3. BOARD COMMITTEES

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



The role and composition of the above committees, including the number of meetings held during the financial year ended on 31<sup>st</sup> March, 2017, and attendance of Directors thereat, are given hereunder.

## (a) AUDIT COMMITTEE

### Qualified and Independent Audit Committee

The Board has constituted an Audit Committee, comprising of three independent non-executive directors. All members of the Audit Committee possess financial and accounting expertise and exposure. Mr. S. P. S. Dangi - Chairman of the Committee is a well known Finance & Management Consultant. He is a fellow member of the Institute of Cost Accountants of India (ICMAI) and has expertise in accounting & finance matters. Mr. S.P.S.Dangi was present at the last Annual General Meeting of the Company held on 27<sup>th</sup> September, 2016. Ms. Tannu Sharma, Company Secretary of the Company acts as the Secretary of the Committee.

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

Name of the Director	Category of Directorship	No. of Meetings attended
Mr. S. P. S. Dangi	Non-executive Independent Director	04
Mr. Satya Pal	Non-executive Independent Director	03
Mr. Vijay Bhushan	Non-executive Independent Director	04

### Meetings of Audit Committee held during the financial year 2016-17.

During the financial year ended on 31<sup>st</sup> March, 2017, four meetings of the Audit Committee were held. The composition of Audit Committee, date on which the meetings were held and attendance of Directors at the above meetings is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings			
		27 <sup>th</sup> May, 2016	5 <sup>th</sup> August, 2016	11 <sup>th</sup> November 2016	10 <sup>th</sup> February, 2017
Mr. S. P. S. Dangi	Chairman	✓	✓	✓	✓
Mr. Satya Pal	Member	✓	Leave of absence	✓	✓
Mr. Vijay Bhushan	Member	✓	✓	✓	✓

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

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

### Powers of Audit Committee

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

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

### Role of Audit committee

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

### Review of information by Audit Committee

The audit committee reviews the following information:

1. Management Discussion and Analysis of the Company's financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.

3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal Audit Reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the internal auditors.

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

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

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

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

The Committee, inter alia, overlooks:

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

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

#### **Meetings**

During the financial year ended on 31<sup>st</sup> March, 2017, one meeting of the Stakeholders' Relationship/Investors' Grievance Committee was held. The composition of Stakeholders' Relationship/Investors' Grievance Committee and attendance of Directors at the above meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings
		27 <sup>th</sup> May, 2016
Mr. Vijay Bhushan	Chairman	✓
Mr. Sanjay Aggarwal	Member	Leave of absence
Mr. Sandeep Aggarwal	Member	✓

No investor complaint was received during the year under review. Two requests for change of address and transmission of shares were received during the year, and both were replied to the satisfaction of the shareholders. There were no outstanding complaints/requests as on 31.03.2017.

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

### (c) NOMINATION & REMUNERATION COMMITTEE

The Board has constituted a Nomination & Remuneration Committee, comprising of three independent non-executive directors viz. Mr. Satya Pal - Chairman of the Committee, Mr. S.P.S. Dangi and Mr. Vijay Bhushan. Meeting of the Nomination & Remuneration Committee are held as and when required to fix, review/revise or modify the remuneration of the executive directors. Mr. Satya Pal was present at the last Annual General Meeting of the Company held on 27<sup>th</sup> September, 2016. Ms. Tannu Sharma, Company Secretary acts as the Secretary of the Committee.

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

Name of the Director	Position in the Committee	Presence of directors at the meetings
		5 <sup>th</sup> August, 2016
Mr. Satya Pal	Chairman	Leave of absence
Mr. SPS Dangi	Member	✓
Mr. Vijay Bhushan	Member	✓

The Terms of reference are as follows:

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

Further, the Nomination and Remuneration Committee also ensures that—

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

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

### (d) SHARE TRANSFER AND TRANSMISSION COMMITTEE

The Share Transfer & Transmission Committee is constituted by the Company specifically for making the share transfer process smooth and speedy. The committee meets periodically to approve share transfers/transmissions etc. All the transfer/transmission affected by Share Transfer & Transmission Committee are placed before & reviewed by the Stakeholders' Relationship/Investors' Grievance Committee. Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal, are the members of the Committee.

During the year ended 31<sup>st</sup> March, 2017, the committee met once to approve one request received from the shareholder relating to transmission of shares and one request received from the preference shareholder for splitting of share certificate. The details of the meeting are as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings
		10 <sup>th</sup> February, 2017
Mr. Sanjay Aggarwal	Chairman	✓
Mr. Sandeep Aggarwal	Member	✓

There were no outstanding complaints/requests and no transfer was pending as on 31<sup>st</sup> March, 2017.



#### (e) RISK MANAGEMENT COMMITTEE

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

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

Name of the Director	Position in the Committee	Presence of directors at the meetings
		10 <sup>th</sup> February, 2017
Mr. Sanjay Aggarwal	Chairman	✓
Mr. Sandeep Aggarwal	Member	✓

#### 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 meetings
	10 <sup>th</sup> February, 2017
Mr. Satya Pal	✓
Mr. SPS Dangi	✓
Mr. Vijay Bhushan	✓
Mrs. Malini Gupta	✓

#### 4. GENERAL MEETINGS

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

Date & Time	27 <sup>th</sup> September, 2016 at 11.30. A.M	24 <sup>th</sup> September, 2015 at 11.30. A.M	26 <sup>th</sup> September, 2014 at 02.30. P.M.
Financial year	2015-2016	2014-2015	2013-2014
Venue	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.
Special Resolution(s) Passed	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lac in one Financial year; To approve related party transaction not exceeding ₹200 Crore in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2016-2017.	Regularization & Re-appointment of Mrs. Malini Gupta, as an Independent Director in terms of the Companies Act, 2013. Resolution under Section 180(1) (c) of the Companies Act, 2013 to approve the overall borrowing limit upto ₹1000 Crore;	For appointment of Mr. S.P.S Dangi as an Independent Director of the Company to hold office up to 31 <sup>st</sup> March, 2019; For appointment of Mr. Satya Pal as an Independent Director of the Company to hold office up to 31 <sup>st</sup> March, 2019;

Date & Time	27 <sup>th</sup> September, 2016 at 11.30. A.M	24 <sup>th</sup> September, 2015 at 11.30. A.M	26 <sup>th</sup> September, 2014 at 02.30. P.M.
		<p>Resolution under Section 180(1) (a) of the Companies Act, 2013 to approve the overall limit of ₹1000 Crore;</p> <p>Alteration of Memorandum of Association and adoption of new Memorandum as per the provisions of the Companies Act, 2013;</p> <p>Alteration of Articles of Association and adoption of new Articles as per the provisions of the Companies Act, 2013;</p> <p>Making contribution for bonafide and charitable purposes not exceeding ₹25 Lac in one Financial year;</p> <p>To approve related party transaction not exceeding ₹100 Crore in one Financial year;</p> <p>To approve the remuneration of the Cost Auditor for the financial year 2015-2016.</p>	<p>For appointment of Mr. Vijay Bhushan as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019;</p> <p>For alteration of Articles of Association thereby enabling an individual to act as Chairman &amp; Chief Executive Officer of the Company.</p>

## 5. POSTAL BALLOT

During the financial year ended 31<sup>st</sup> March, 2017, no special resolution was passed by the Company, which required the use of postal ballot process.

## 6. DISCLOSURES

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

Members may refer to the disclosures of transactions with the related parties as given under Note no. 30 of the notes to accounts. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with Related Party Transactions, which is uploaded on the website of the Company and is available at link: [http://www.paramountcables.com/PCL\\_%20Policy%20%20for%20dealing%20with%20Related%20Party%20Transactions.pdf](http://www.paramountcables.com/PCL_%20Policy%20%20for%20dealing%20with%20Related%20Party%20Transactions.pdf)

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

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

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

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

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

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

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

v. **Familiarization Programs**

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

vi. **Related Party Transactions**

All transactions with related parties were in the ordinary course of business and on arm's length pricing basis. The Company has framed and adopted a policy for dealing with Related Party Transactions, in accordance with the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 of the Listing Agreement. The same is available on the Company's website at the following link: [http://www.paramountcables.com/PCL\\_%20Policy%20%20for%20dealing%20with%20Related%20Party%20Transactions.pdf](http://www.paramountcables.com/PCL_%20Policy%20%20for%20dealing%20with%20Related%20Party%20Transactions.pdf).

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

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

viii. **Accounting Standards**

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

ix. **Subsidiary Companies**

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

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

Note:

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

x. **CEO/CFO Certification**

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

#### xi. **Reconciliation of Share Capital Audit**

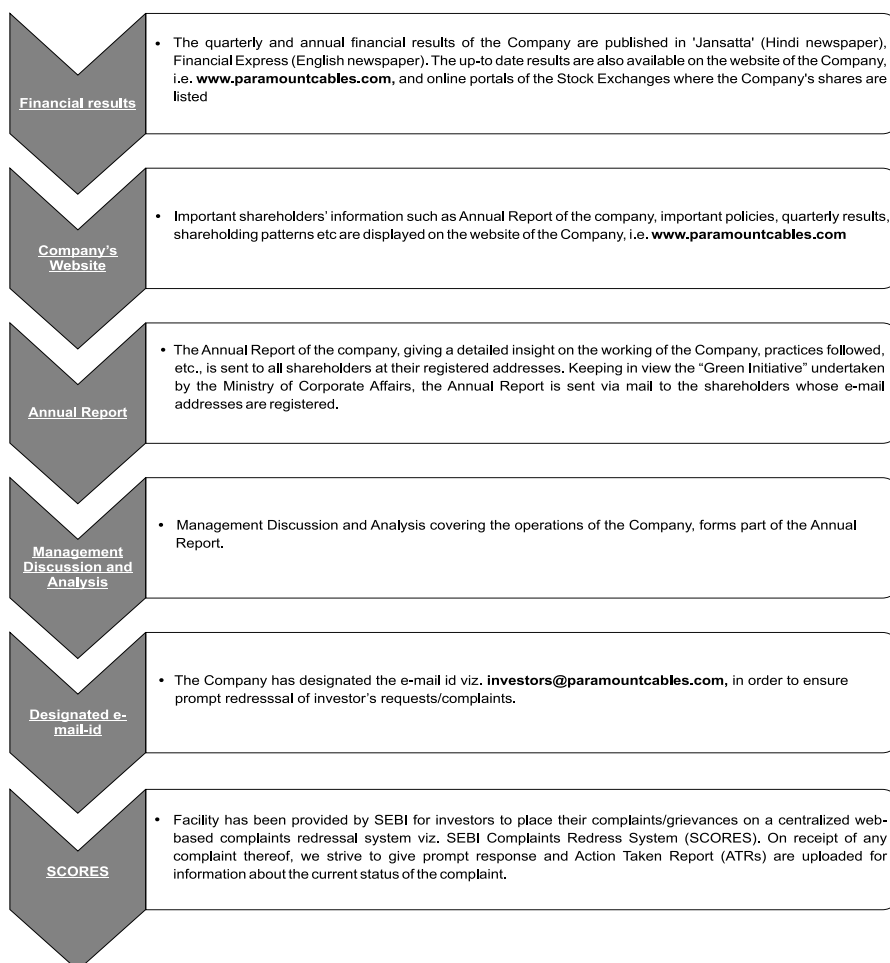
A qualified Practicing Company Secretary carries out a quarterly reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and certify the total issued and listed capital. The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

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

"Code of Conduct for Prevention of Insider Trading" (Insider Code) has been set in place by the company, to prevent misuse of unpublished price sensitive information for individual benefit, by those who have access to such information by virtue of their employment or association with the Company. A copy of the Insider Code is available on the website of the Company at the following link: <http://www.paramountcables.com/Code%20on%20prevention%20of%20Insider%20Trading.pdf>.

### 7. **MEANS OF COMMUNICATION**

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



## 8. GENERAL SHAREHOLDER INFORMATION

CIN	L74899DL1994PLC061295
Registered Office	C-125, Naraina Industrial Area, Phase-1, New Delhi-110028.
Compliance officer	Ms. Tannu Sharma, Chief Compliance Officer and Company Secretary
Twenty third Annual General Meeting • Day, Date & Time: • Venue:	Thursday, the 17 <sup>th</sup> August, 2017 at 11:00 AM Shri Sathya Sai International centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi - 110003
Financial Year	1 <sup>st</sup> April of each year to 31 <sup>st</sup> March of the next year
Face Value per Equity share	₹2/-
Dividend Payment date	Not Applicable
Book Closure	Friday, the 11 <sup>th</sup> August, 2017 to Thursday, the 17 <sup>th</sup> August, 2017 (both days inclusive).
ISIN Number	<ul style="list-style-type: none"> <li>Demat ISIN Number in NSDL and CDSL for Equity Shares is INE074B01023</li> <li>The ISIN of One Percent Unsecured Foreign Currency Convertible Bonds due 2011 is XS0276171823.</li> </ul>

### ➤ Financial Calendar (Tentative)

Results for quarter ending 30 <sup>th</sup> June, 2017	Mid August, 2017
Results for quarter/ half-year ending 30 <sup>th</sup> September, 2017	Mid November, 2017
Results for quarter ending 31 <sup>st</sup> December, 2017	Mid February, 2018
Results for year ending 31 <sup>st</sup> March, 2018	End May, 2018
Annual General Meeting (i.e., next year)	September, 2018

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

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

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

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

The Foreign Currency Convertible Bonds (FCCBs)\*\* issued by the Company in the international market are listed at Luxembourg Stock Exchange, Luxembourg.

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

➤ **Payment of Listing fee**

The annual listing fee for the financial year 2017-18 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 2017-2018 has been duly paid by the Company to NSDL and CDSL.

➤ **Share Transfer System**

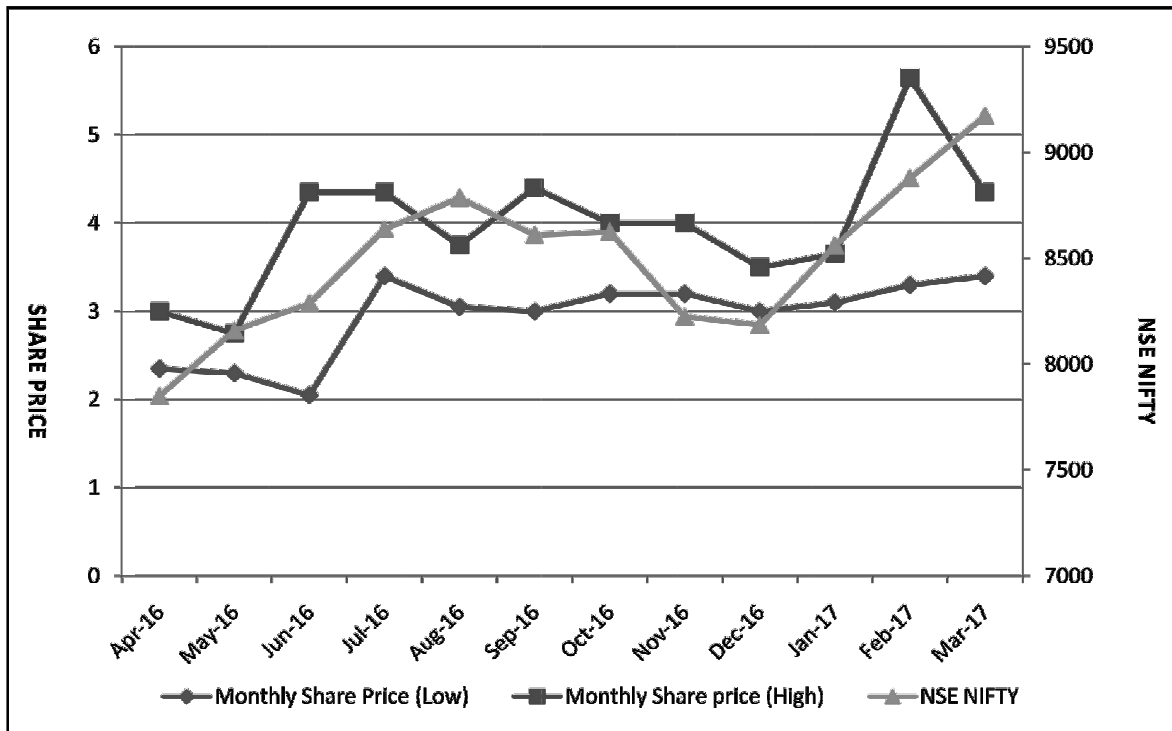
The Company has a sound share transfer process. The Company has appointed M/s Link Intime India Private Limited, as its share transfer agent. After the Share Transfer Agent complete the formalities of transfer/transmission, approval of transfer of shares in the physical form is done by the Share Transfer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

➤ **Stock Price Data:**

**a) NSE Scrip Code: PARACABLES (For the period: April, 2016 to March, 2017)**

Value in ₹

Month	Open Price (O)	High Price (H)	Low Price (L)	Close Price (C)	Spread*		NSE NIFTY (closing prices)
					H-L	C-O	
April 2016	2.80	3.00	2.35	2.55	0.65	-0.25	7849.80
May 2016	2.50	2.75	2.25	2.70	0.50	0.20	8160.10
June 2016	2.50	4.35	2.05	4.15	2.30	1.65	8287.75
July 2016	4.35	4.35	3.40	3.50	0.95	-0.85	8638.50
August 2016	3.40	3.90	3.05	3.25	0.85	-0.15	8786.20
September 2016	3.15	4.40	3.00	3.40	1.40	0.25	8611.15
October 2016	3.50	4.00	3.20	3.90	0.80	0.40	8625.70
November 2016	3.55	4.00	3.20	3.45	0.80	-0.10	8224.50
December 2016	3.40	3.50	3.00	3.30	0.50	-0.10	8185.80
January 2017	3.40	3.65	3.10	3.25	0.55	-0.15	8561.30
February 2017	3.35	5.65	3.30	4.00	2.35	0.65	8879.60
March 2017	4.00	4.35	3.40	3.55	0.95	-0.20	9173.75

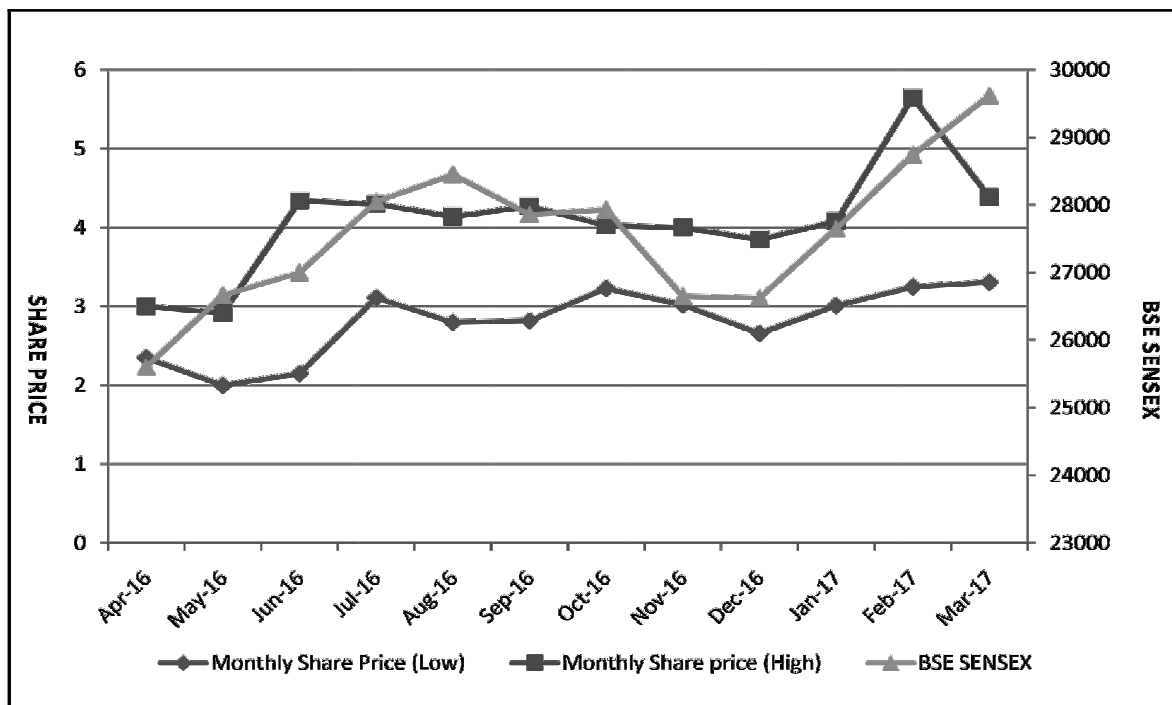


**BSE Scrip Code: 530555**

**(For the period: April, 2016 to March, 2017)**

Value in ₹

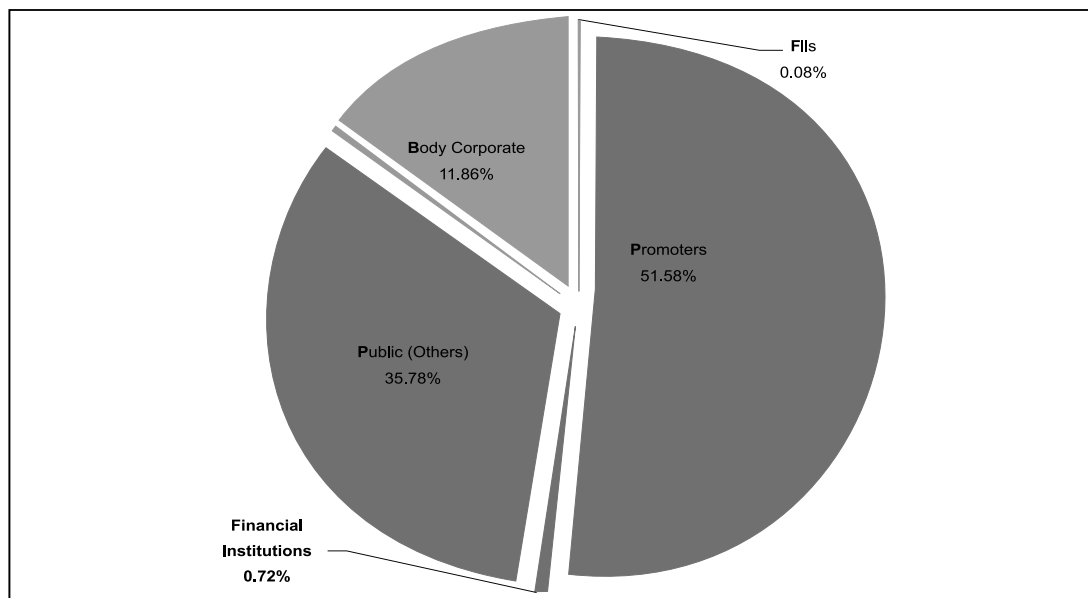
Month	Open Price	High Price	Low Price	Close Price	BSE (Closing Price)	Spread	
						H-L	C-O
April 2016	2.87	3.00	2.35	2.69	25606.62	0.65	-0.18
May 2016	2.50	2.92	2.00	2.63	26667.96	0.92	0.13
June 2016	2.43	4.34	2.15	4.14	26999.72	2.19	1.71
July 2016	4.15	4.30	3.11	3.48	28051.86	1.19	-0.67
August 2016	3.37	4.14	2.80	3.25	28452.17	1.34	-0.12
September 2016	3.17	4.27	2.82	3.40	27865.96	1.45	0.23
October 2016	3.45	4.03	3.23	3.86	27930.21	0.8	0.41
November 2016	3.90	4.00	3.02	3.51	26652.81	0.98	-0.39
December 2016	3.35	3.85	2.66	3.26	26626.46	1.19	-0.09
January 2017	3.13	4.08	3.01	3.35	27655.96	1.07	0.22
February 2017	3.35	5.65	3.25	4.05	28743.32	2.4	0.7
March 2017	4.25	4.39	3.31	3.51	29620.50	1.08	-0.74

**Performance of equity shares in comparison with BSE SENSEX during the Financial Year 2016-2017**

**Distribution of Shareholding and shareholding Pattern as on 31.03.2017.**

Shareholding of shares	No. of Shareholders		No. of Shares held	Amount	
	Number	% to total		In ₹	% to total
Upto 500	18061	65.48	3683229	7366458	2.95
501 - 1,000	4385	15.90	3637499	7274998	2.91
1,001 - 2,000	2308	8.37	3654965	7309930	2.92
2,001 - 3,000	894	3.24	2307341	4614682	1.84
3,001 - 4,000	394	1.43	1431301	2862602	1.14
4,001 - 5,000	412	1.49	1974044	3948088	1.57
5,001 - 10,000	542	1.97	4169706	8339412	3.33
10,001 & Above	585	2.12	104365380	208730760	83.34
<b>Total</b>	<b>27581</b>	<b>100.00</b>	<b>125233465</b>	<b>250466930</b>	<b>100.00</b>



### Shareholding Pattern of the Company as at 31<sup>st</sup> March, 2017



#### ➤ Steps taken by the management for company's revival

With the abatement the Board for Industrial and Financial Reconstruction (BIFR) w.e.f. 01.12.2016, our reference to BIFR became superfluous. The management of the Company was already in dialogue with the Bankers for settlement of their dues in an amicable manner. IDBI Bank Limited sold off our asset to an Asset Recovery Company(ARC) viz. Invent Asset Reconstruction and Securitization Private Limited, and the said ARC has entered into settlement with the Company, wherein settled amount is to be repaid in a phased manner. Further, the Company has entered into settlement with Standard Chartered Bank for settling their entire outstanding, as per mutually agreed terms.

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

The Company raised US\$ 27 Million by way of allotment of 1% Unsecured Foreign Currency Convertible Bonds (FCCBs) due on 23<sup>rd</sup> November, 2011 in the financial year 2006-07. During the financial year 2009-10, the Company bought back 3,900 bonds of US\$ 5,000 each at a discount. Outstanding FCCBs amounting to US\$ 7.5 million were due for redemption on 23<sup>rd</sup> November, 2011 at a premium equal to 45.54% of the outstanding principal amount i.e. @ US\$ 7,277. No action has been initiated by the Bondholders/Trustees and status quo is being maintained.

#### ➤ Dematerialization of Shares

At the end of the year 2016-2017 around 99.04% of the equity shares of the Company are held in dematerialized form.

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

➤ **Liquidity**

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

➤ **Plant Locations (as on 31<sup>st</sup> March, 2017)**

**Address**

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

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

➤ **Address for correspondence:**

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

**The Chief Compliance Officer & Company Secretary**

Paramount Communications Limited

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

New Delhi – 110028, India

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

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

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

44, IInd Floor, Community Centre,

Naraina Industrial Area, Phase-I,

New Delhi-110028

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

## AUDITOR'S CERTIFICATE

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

### INDEPENDENT AUDITOR'S CERTIFICATE

TO THE MEMBERS OF

**PARAMOUNT COMMUNICATIONS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **PARAMOUNT COMMUNICATIONS LIMITED** ("the Company"), for the year ended on 31<sup>st</sup> March 2017, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certificate of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us and the representations by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31<sup>st</sup> March 2017.

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

**For Jagdish Chand & Co.**  
Chartered Accountants  
Firm Reg. No. 000129N

**(PRAVEEN KUMAR JAIN)**  
Partner  
M.No .85629

Place : New Delhi  
Dated : 30.06.2017

**Annexure – A**

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

The Members

**Paramount Communications Limited**

I, Sanjay Aggarwal, Chairman and CEO of the Company, do hereby confirm that all the Board members and the senior management personnel of the Company have complied with the 'Code of Conduct for Directors and Senior Management Personnel', during the financial year 2016-2017.

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

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

**(Sanjay Aggarwal)**  
Chairman & CEO

Date : 30.06.2017  
Place: New Delhi

**ANNEXURE B****CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

Dear Sirs,

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

- a. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended on 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the said year, which are fraudulent, illegal or violative of the Company's 'Code of Conduct for Directors and Key Managerial Personnel'.
- c. we accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies (wherever applicable).
- d. we have indicated to the Auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year (wherever applicable);
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements (wherever applicable); and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting (wherever applicable).

Thanking you,

Yours Faithfully,

**For Paramount Communications Limited**

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

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

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
PARAMOUNT COMMUNICATIONS LIMITED

### Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **Paramount Communications Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

### Basis for Qualified Opinion

8. We state that "From 1<sup>st</sup> July, 2016 company has not provided for interest and other dues of ₹29,917,920/- on borrowings from a bank which have become NPA account as per bank classification and are outstanding at the year end and in respect of which interest has been reversed/not charged in statements provided by the Bank. Amount of interest not provided ₹29,917,920/- as per the estimate by the management. We further report that loss for the year would have been ₹33,050,752/- as against reported figure ₹3,132,832/- and short term borrowings would have been ₹526,220,445/- as against reported figure ₹496,302,525/- and debit balance in surplus would have been ₹4,420,632,798/- as against reported figure ₹4,390,714,878/-. (Refer Note 25.2)

### Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph the aforesaid Standalone financial statements give the information

*required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.*

### **Emphasis of Matter**

10. We draw attention to

- a. Note 36 to the financial statements. The accompanying financial statements have been prepared on a going concern basis despite negative net worth, overdue in repayment of loan installments, interest to banks, working capital facilities from banks, overdue in redemption of Foreign Currency Convertible Bonds (FCCBs). The appropriateness of the said basis is inter-alia dependent on Company's ability to generate profit in future years and meet its financial obligations.
- b. For Banks who have assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitization and Asset Reconstruction Company (ARC), dues to those banks have been transferred and shown as due to ARC. (Refer Note 9.3)
- c. Company has received and accepted Sanction letter / in principle approval with ARC for payment of ₹373,800,000/- towards full & final payment of the amount due & payable to ARC Subject to Company complying with 'Schedule of Payments' referred to in Sanction letter / in principle approval. As per schedule of payment ₹167,500,000 /- is ought to be paid before 29<sup>th</sup> March, 2021 in half yearly installments and ₹206,300,000/- is ought to be paid before 30<sup>th</sup> September, 2021 in half yearly installments. Company has paid all the installments due upto 31<sup>st</sup> March, 2017 and is confident of meeting all payment schedules specified in Sanction letter / in principle approval. In opinion of the management the settled amounts with ARC are new borrowing/ liability since the lender is different from earlier lenders and the new borrowings/ liability are on substantially different terms viz as amount of settlement, schedule of payment etc. Hence, this modification is treated as de-recognition of the original liability and the recognition of a new liability.

Accordingly, Company has written back ₹714,204,200/- as exceptional item (settlement of dues) as difference between loans assigned to ARC by banks & Settlement amount between Company & ARC. (Refer Note 28)

- d. In respect of dues to ARC which have been assigned by banks and in respect of which Settlement between company and ARC, no interest has been provided, since, the company is in the process of making settlement with the ARC. As per terms & conditions of Settlements with ARC during the year, no interest was charged by ARC. (Refer Note 25.1)

Our opinion is not modified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

11. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standardsspecified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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) *Non provision of interest on borrowings from a bank as described in paragraph 8 under the Basis of Qualified Opinion paragraph above and the going concern matter described in sub-paragraph 10 (a) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2017 on its financial position in its financial statements – Refer Note No. 34.1 & 34.3
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017
  - 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, 2017.
  - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company- Refer Note No.38

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

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

Membership Number: 06107

Place of signature : New Delhi  
Date : 29<sup>th</sup> May, 2017

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

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of **Paramount Communications Limited** on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017

### **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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(J.C. Gupta)**  
Partner  
Membership Number: 06107

Place of signature : New Delhi

Date : 29<sup>th</sup> May, 2017

## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Paramount Communications Limited on the Standalone financial statements as of and for the year ended 31<sup>st</sup> March, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company, except for details as given below:

- In case of Land :-

<b>Total number of cases:</b>	<b>01</b>
Whether lease hold/ free hold:	Free Hold
Gross Block & Net Block (as at 31.03.2017):	₹ 2,35,739/-

- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. There is one party covered in the register maintained under Section 189 of the Act, to which Company has given security deposits as per contractual obligations. (Refer Note 13.1)
  - (a) In respect of the aforesaid deposit, the terms and conditions under which such deposit was granted are not prejudicial to the Company's interest.
  - (b) Since it is a security deposit no schedule for repayment of deposit is applicable and no interest was charged.
  - (c) In respect of the aforesaid deposit, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Investor education and protection fund, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Customs Duty and Excise Duty as at 31<sup>st</sup> March, 2017 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of the Due	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	168,032,379/-	Various years for 2002-03 to 2014-15	CESTAT
		40,624,358/-	Various years for 2007-08 to 2015-16	Commissioner (Appeals)

Name of the Statute	Nature of the Due	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Finance Act	Service Tax	31,399,088/-	Various years for 2005-06 to 2009-10	CESTAT
		178,378/-	2005-06	Commissioner (Appeals)
Customs Act	Customs Duty	5,247,875/-	2005-06, 2006-07, 2010-11 & 2011-12	CESTAT

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

Name of the Leader	Nature of dues	Period of default	Amount of default ₹
State Bank of India	Rupee Term Loans	From June 2013 to December 2016	297,201,283/-
	Foreign Currency Term Loan	From September 2014 to December 2016	285,219,063/-
	Rupee Working Capital Loans	From November 2014 to December 2016	539,432,964/-
State Bank of Patiala	Rupee Term Loans	From June 2016 to December 2016	15,822,244/-
Standard Chartered Bank	Rupee Term Loans	Since June 2013	92,361,568/-
Dena Bank	Rupee Term Loans	Since June 2016	62,702,601/-
	Rupee Working Capital Loans	Since February 2017	340,171,363/-
Principal amount of Foreign Currency Convertible Bonds (FCCBs)	FCCBs	Since December, 2011	48,87,75,000/-
Premium on redemption of FCCB's	FCCBs	Since December, 2011	22,26,28,876/-

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

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

(J.C. Gupta)  
Partner

Place of signature : New Delhi  
Date : 29<sup>th</sup> May, 2017

Membership Number: 06107

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

Figures in ₹

	Note	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
<b>EQUITY AND LIABILITIES</b>					
Shareholder's funds					
Share Capital	2	326,966,930		326,966,930	
Reserves and surplus	3	(3,687,826,069)	(3,360,859,139)	(3,681,393,451)	(3,354,426,521)
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	369,862,750		886,714,339	
Deferred Tax Liability (Net)	5	-		-	
Long Term Provisions	6	30,647,077	400,509,827	21,200,954	907,915,293
<b>Current Liabilities</b>					
Short Term Borrowings	7	496,302,525		1,798,329,167	
Trade Payables	8				
- Micro, Small and Medium Enterprises		-		-	
- Others		191,862,417		565,293,429	
Other Current Liabilities	9	4,773,846,281		3,210,722,256	
Short Term Provisions	10	2,263,802	5,464,275,025	2,185,143	5,576,529,995
<b>TOTAL</b>			2,503,925,713		3,130,018,767
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Fixed Assets	11				
- Tangible assets	11.1	658,952,026		745,644,891	
- Intangible assets	11.2	7,521,517	666,473,543	2,579,580	748,224,471
Non- Current Investments	12		3		168,003
Long Term Loans and Advances	13		30,984,026		30,654,582
<b>Current Assets</b>					
Inventories	14	133,105,382		538,798,171	
Trade Receivables	15	1,162,009,565		1,337,734,003	
Cash and Bank Balances	16	284,767,720		278,765,678	
Short Term Loans and Advances	17	197,934,454		173,390,875	
Other Current Assets	18	28,651,020	1,806,468,141	22,282,984	2,350,971,711
<b>TOTAL</b>			2,503,925,713		3,130,018,767

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**

Firm Registration Number : 000129N

**Chartered Accountants**

**(J.C. Gupta)**

Partner

Membership No. 6107

**(Sanjay Aggarwal)**

Chairman & CEO

DIN No. 00001788

**(S K Agarwal)**

Chief Financial Officer

Membership No. 053595

**(Sandeep Aggarwal)**

Managing Director

DIN No. 00002646

**(Tannu Sharma)**

Company Secretary

Membership No. ACS 30622

Place of signing : New Delhi

Date: 29<sup>th</sup> May, 2017

Place : New Delhi

Date : 29<sup>th</sup> May, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Figures in ₹

	Note	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Revenue from Operations (Gross)	19	3,501,311,415		3,439,150,061	
Less: Excise Duty		344,515,933	3,156,795,482	345,481,070	3,093,668,991
Other Income	20		43,170,274		24,167,441
<b>Total Revenue</b>			<b>3,199,965,756</b>		<b>3,117,836,432</b>
<b>Expenses:</b>					
Cost of Materials Consumed	21		2,532,915,589		2,678,408,784
Purchases of Stock in Trade	22		-		-
(Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-Trade	23		328,709,443		156,890,015
Employee Benefits Expense	24		151,229,302		131,271,744
Finance Costs	25		189,519,722		737,883,530
Depreciation and Amortization Expense	26		81,658,112		85,835,019
Other Expenses	27		633,270,620		565,710,574
<b>Total Expenses</b>			<b>3,917,302,788</b>		<b>4,355,999,666</b>
Profit/(Loss) Before exceptional items and Tax			(717,337,032)		(1,238,163,234)
Exceptional Items	28		714,204,200		15,261,301
Profit/(Loss) Before Tax			(3,132,832)		(1,222,901,933)
Tax Expense					
- Current tax		-	-	-	-
- Deferred tax		-	-	-	-
Profit / (loss) for the Year			(3,132,832)		(1,222,901,933)
Earnings per Equity Share:	29				
Equity Share of face Value of ₹2/- each					
- Basic (₹)			(0.03)		(9.76)
- Diluted (₹)			(0.03)		(9.76)

Significant Accounting Policies and Notes on Financial Statements 1 to 39

As per our separate report of even date attached

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

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

Place of signing : New Delhi  
Date : 29<sup>th</sup> May, 2017

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

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

Place : New Delhi  
Date : 29<sup>th</sup> May, 2017

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

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before taxation and extraordinary items	<b>(717,337,032)</b>	(1,238,163,234)
	<b>Adjustment for:</b>		
	Depreciation (Net)	81,658,112	85,835,019
	Financial Costs	189,519,722	737,883,530
	Loss/(profit) on sale/disposal of fixed assets	(63,254)	(198,154)
	Loss/(profit) on sale of Investment	49,680	-
	Exchange loss on FCCBs	(5,616,000)	15,015,000
	Amortisation of FCMITDA	10,565,004	32,718,270
	Provision for leave encashment/ Gratuity	5,699,782	520,425
	Operating profit before working capital changes	(435,523,986)	(366,389,144)
	<b>Adjustment for:</b>		
	Trade Receivables, Loans and Advances and Other Assets	146,718,399	249,793,249
	Inventories	405,692,789	219,054,106
	Trade Payables, Other Liabilities and Provisions	(1,444,760,595)	1,273,620,927
	<b>Cash generated from operations</b>	<b>(1,327,873,393)</b>	1,376,079,138
	Direct tax paid/ Refund	(2,235,019)	(10,838,663)
	<b>Cash flow before exceptional items</b>	<b>(1,330,108,412)</b>	1,365,240,475
	Exceptional items	714,204,200	15,261,301
	<b>Net cash from operating activities</b>	<b>(615,904,212)</b>	1,380,501,776
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets and other capital expenditure	(15,911,640)	(10,563,556)
	Sales of investment	118,320	-
	Sale of fixed assets	2,045,357	258,000
	<b>Net cash used in investing activities</b>	<b>(13,747,963)</b>	(10,305,556)

**Figures in ₹**

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Net of repayments)	2,127,200,581	(178,716,651)
	Working capital facilities from Bank	(1,302,026,641)	(349,072,540)
	Financial Costs	(189,519,722)	(737,883,530)
	<b>Net cash received/(used) from financial activities</b>	<b>635,654,218</b>	<b>(1,265,672,720)</b>
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>6,002,043</b>	<b>104,523,500</b>
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2016 (Opening Balance)	278,765,678	174,242,178
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2017 (Closing Balance)	284,767,720	278,765,678
<b>1.</b>	<b>Note:</b>		
	<b>Cash and cash equivalents includes:</b>		
	Cash and bank balances	9,464,046	9,477,768
	Fixed Deposits under lien/ custody with banks/sales tax department	275,303,674	269,287,910
	Unclaimed Dividend Accounts	-	-
	<b>Total cash and cash equivalents as per balance sheet</b>	<b>284,767,720</b>	<b>278,765,678</b>
<b>2.</b>	The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS 3 -"Cash Flow Statement " and notified in Companies (Accounting Standard ) Rules, 2006 (as amended).		
<b>3.</b>	Cash and cash equivalents represent cash and bank balances. (Refer note 16).		
<b>4.</b>	Figures in brackets represent cash outflow		
<b>5.</b>	Previous Year's figures have been regrouped / rearranged wherever necessary.		

As per our separate report of even date attached

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

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

**Place of signing : New Delhi**  
**Date: 29<sup>th</sup> May, 2017**

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

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

**Place : New Delhi**  
**Date : 29<sup>th</sup> May, 2017**

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

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

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a Basis of Preparation

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

### b Accounting Estimates

- i. The preparation of financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates which are recognized in the period in which they are determined.

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

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

### d Depreciation and Amortisation

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

### e Investments

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

### f Inventories

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



**g Foreign Currency Transactions**

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

**h Revenue Recognition**

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

**i Excise Duty**

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

**j Employees Benefits**

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

**k Reserves**

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

**l Preliminary Expenses**

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

**m Taxes on Income**

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

**n Impairment of Fixed Assets**

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

**o Contingent Liabilities**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**2 Share Capital**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Authorised:</b>		
250,000,000 (Previous Year 250,000,000) Equity Shares of ₹2/- each	<b>500,000,000</b>	500,000,000
1,000,000 (Previous Year 1,000,000) Redeemable Preference Shares of ₹100/- each	<b>100,000,000</b>	100,000,000
	<b>600,000,000</b>	600,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
125,233,465 (Previous Year 125,233,465) Equity Shares of ₹2/- each fully paid	<b>250,466,930</b>	250,466,930
765,000 (Previous Year 765,000) 0% Non-Convertible Redeemable Preference Shares (NCRPS) of ₹100/- each	<b>76,500,000</b>	76,500,000
<b>Total</b>	<b>326,966,930</b>	326,966,930

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

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

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

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

**2.2 Reconciliation of Number of Equity Shares**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	<b>125,233,465</b>	<b>250,466,930</b>	125,233,465	250,466,930
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	<b>125,233,465</b>	<b>250,466,930</b>	125,233,465	250,466,930

**Reconciliation of Number of Preference Shares**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	<b>765,000</b>	<b>76,500,000</b>	765,000	76,500,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	<b>765,000</b>	<b>76,500,000</b>	765,000	76,500,000

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

Figures in ₹

Name of Shareholder	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
	Nos.	%age	Nos.	%age
<b>Equity Shareholders</b>				
M/s Paramount Telecables Limited	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	10.41	13,040,172	10.41
<b>Preference Shareholder</b>				
M/s Paramount Telecables Limited	765,000	100.00	765,000	100.00

### 3 Reserves & Surplus

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Capital Reserve</b>				
- Capital Investment Subsidy	3,000,000		3,000,000	
Balance at the beginning of the year				
- Profit on Issue of forfeited shares	31,100	3,031,100	31,100	3,031,100
Balance at the beginning of the year				
<b>Securities Premium Account</b>				
Balance at the beginning of the year	678,279,437		682,104,437	
Less : Provision for Premium on redemption of Preference Shares (Refer Note 3.1)	3,825,000	674,454,437	3,825,000	678,279,437
<b>Revaluation Reserve</b>				
Balance at the beginning of the year	8,838,353		8,898,628	
Less : Transfer to Fixed Assets	8,838,353		-	
Less : Transfer to General Reserve (Refer Note 3.4)	-	-	60,275	8,838,353
<b>General Reserve</b>				
Balance at the beginning of the year	25,403,272		25,342,997	
Add : Transfer from Revaluation Reserve	-	25,403,272	60,275	25,403,272
<b>Surplus</b>				
Balance at the beginning of the year	(4,387,582,046)		(3,164,680,113)	
Add : Transfer from Profit & Loss Statement	(3,132,832)	(4,390,714,878)	(1,222,901,933)	(4,387,582,046)
Foreign Currency Monetary Item				
Translation Difference Account (FCMITDA)				
Balance at the beginning of the year	(9,363,567)		(22,848,855)	
Add : Additions during the year	(1,201,437)		(19,232,982)	
Less : Written off during the year (Refer Note 3.3)	10,565,004	-	32,718,270	(9,363,567)
<b>Total</b>		(3,687,826,069)		(3,681,393,451)

3.1 During the year Redemption Premium payable on prorata basis ₹3,825,000/- (Previous Year ₹3,825,000/-) on 0% Non-Convertible Redeemable Preference share (NCRPS) has been charged to Securities Premium Account.

3.2 In view of losses Capital Redemption Reserve required under Section 55 of the Companies Act, 2013 has not been created.

3.3 Are amortised over period of foreign currency monetary item or up to 31<sup>st</sup> March, 2020, whichever is earlier.

3.4 As per amendments made in Accounting Standard -10, on Property, Plant & Equipment (AS-10), w.e.f. 01.04.2016 all fixed assets of a particular category are to be revalued. In case of selective revaluation done in earlier years the AS-10 offered the alternative of adjusting outstanding balance in Revaluation Reserve against the carrying amount of that item

in case company opts for not revaluing all fixed assets of that particular category. The company has transferred outstanding balance in Revaluation Reserve of ₹15,057,484/- as on 01.04.2016 to land ₹7,650,950/- and Building ₹7,406,534/- and accumulated depreciation ₹6,219,131/- thereon. This has no material impact on loss for the year.

#### 4 Long Term Borrowings

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Secured</b>				
Term Loans :				
— From Banks				
— Foreign Currency Loan	-		43,889,739	
— Rupee Loans	-		805,461,850	
— From Other Parties				
— From Securitisation and Assets Reconstruction Company (ARC)	332,500,000		-	
— From Financial Institution	37,362,750	369,862,750	37,362,750	886,714,339
<b>Total</b>		<b>369,862,750</b>		<b>886,714,339</b>

##### 4.1 Nature of Security :-

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

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

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

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

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

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

Figures in ₹

Nature of Payment	FY 2016-2017	FY 2015-2016	Period of default
Rupee Loans from banks	297,201,283	202,239,737	From June, 2013 to December, 2016
	92,361,568	85,325,945	Since June, 2013
	15,822,244	-	From June, 2016 to December, 2016
Foreign Currency Loans	285,219,063	190,146,042	From September, 2014 to December, 2016
Interest on Loans	539,353,223	476,982,504	from October, 2013 to December, 2016
	46,384,440	41,293,418	From September, 2014 to December, 2016
	23,288,086	20,721,708	Since October, 2013
	2,163,915	-	From June, 2016 to December, 2016

-The above information for the period and amount of default as at the year end is after considering loans/interest which have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the banks.

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

Figures in ₹

Nature of Payment	FY 2016-2017	Period of default	FY 2015-2016*	Period of default
Rupee Loans from banks	62,702,601	Since June,2016	155,650,327	From November, 2014 to March,2016
Interest on Loans	-	Since June,2016	299,440,469	From November,2014 to March,2016

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

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

Figures in ₹

Rate of Interest	Maturity Profile			
	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
10%	-	-	-	37,362,750
0%	41,000,000	60,500,000	144,300,000	86,700,000
<b>Total</b>	<b>41,000,000</b>	<b>60,500,000</b>	<b>144,300,000</b>	<b>124,062,750</b>

4.4 Based upon schedule of payment sanctioned/ in principle approval by ARC, Company has bifurcated dues to ARC between long term borrowings and other current liabilities.

#### 5 Deferred Tax Liability (Net)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Deferred Tax Assets :</b>				
- Leave Encashment	6,087,519		4,114,939	
- Unabsorbed Depreciation	80,194,540	86,282,059	97,616,070	101,731,009
<b>Deferred Tax Liabilities :</b>				
- Depreciation		86,282,059		101,731,009
<b>Total</b>		-		-

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

#### 6 Long Term Provisions

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Employee Benefits (Refer Note 24.1)</b>		
— Leave Encashment	11,025,223	9,704,994
— Gratuity	4,300,894	-
Provision for Premium on Redemption of Preference Shares (Refer Note 2.1 & 3.1)	15,320,960	11,495,960
<b>Total</b>	<b>30,647,077</b>	<b>21,200,954</b>

## 7 Short Term Borrowings

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Secured</b>		
— Working Capital Loans from Banks	<b>496,302,525</b>	1,798,329,167
<b>Total</b>	<b>496,302,525</b>	1,798,329,167

### 7.1 Nature of Security :-

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

### 7.2 Period and amount of default:

- Working Capital Loans from banks are overdrawn to the extent of ₹539,432,964/- (Previous Year ₹539,432,964/-) due to devolvement of Letter of Credits from November, 2014 to December, 2016. Subsequently these loans have been assigned by bank to ARC.
- Interest on Working Capital Loans from banks are overdrawn to the extent of :

**Figures in ₹**

Nature of Payment	FY 2016-2017	FY 2015-2016	Period of default
Interest on Working Capital Loans	<b>526,643,763</b>	521,161,340	From November, 2014 to December, 2016
	<b>46,076,503</b>	28,554,668	Since June, 2013
	<b>44,452,194</b>	-	From June, 2016 to December, 2016

- The above information for the period and amount of default as at the year end is after considering loans/interest which have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the banks.
- Working Capital Loans from a bank are in default due to non repayment of recalled loan by a bank since February, 2017.

**Figures in ₹**

Nature of Payment	FY 2016-2017	FY 2015-2016
Working Capital Loans	<b>340,171,363</b>	-
Interest on Working Capital Loans	<b>4,021,092</b>	-

### 7.3 Also refer note 25.2

## 8. Trade Payables

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
Micro, Small & Medium Enterprises	-	-
Others	-	294,956,554
- Acceptances	-	270,336,875
- Others	<b>191,862,417</b>	
<b>Total</b>	<b>191,862,417</b>	565,293,429

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

## 9 Other Current Liabilities

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Current Maturities of Long-Term Debt				
Term Loans :				
From Banks				
— Foreign Currency Loan	-		285,219,064	
— Rupee Loans	147,155,078		490,245,403	
From Securitisation and Assets Reconstruction Company (ARC)	34,600,000	181,755,078	-	775,464,467
(Refer Note 4.1 & 4.4)				
- Payable to Securitisation and Assets Reconstruction Company		3,735,464,658		497,703,098
(Refer Note 4.1, 7.1 & 9.3)				
Interest accrued and due on borrowings		28,038,756		1,081,046,536
(Refer Note 4.1, 7.2 & 9.1)		865,123		879,714
Interest accrued but not due on borrowings		-		-
Unpaid Dividends (Refer Note 9.2)		710,152,553		727,123,097
Foreign Currency Convertible Bonds (FCCBs)				
(Refer Note 9.1)				
Interest accrued and due on FCCBs		36,612,174		29,837,012
(Refer Note 9.1)		1,491,786		1,837,665
Interest accrued but not due on FCCBs		10,962,689		26,713,536
Employee Benefits Payable		-		575,999
Sundry Creditors -Capital Goods		11,550,915		30,304,036
Statutory Dues Payable		17,062,795		11,912,900
Advance from Customers		39,889,754		27,324,196
Other Payables				
<b>Total</b>		<b>4,773,846,281</b>		<b>3,210,722,256</b>

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

- Principal amount of ₹488,775,000/- of 1% Foreign Currency Convertible Bonds ('FCCBs') is overdue for repayment since 23<sup>rd</sup> November, 2011. Interest on FCCBs ₹36,612,174/- due up to 31<sup>st</sup> December, 2016 has also not been paid and is over due. Premium on redemption of FCCB's of ₹222,628,876/- is also over due for payment since 23<sup>rd</sup> November, 2011.
- Refer Note 4.2 for default in repayment of Term Loans.

### 9.2 No amount is due as on 31<sup>st</sup> March, 2017 for credit to Investor Education and Protection Fund (Fund).

### 9.3 For Banks who have assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitisation and Asset Reconstruction Company, dues to those banks have been transferred and shown as due to Securitisation and Asset Reconstruction Company.

### 9.4 Subsequent to the year end company has entered into Settlement with a bank. Dues of settlement are to be paid to the bank on or before 31<sup>st</sup> March, 2018. Outstanding (including interest) to this bank as on 31<sup>st</sup> March, 2017 has been stated on the basis of prorata calculation of amount outstanding acknowledged by the company in settlement.

## 10 Short Term Provisions

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Provision for Employee Benefits</b>				
(Refer Note 24.1)				
- Leave Encashment		2,017,241		2,185,143
- Gratuity		246,561		-
<b>Total</b>		<b>2,263,802</b>		<b>2,185,143</b>

## 11. FIXED ASSETS

### 11.1 Tangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK					DEPRECIATION & AMORTIZATION					NET BLOCK		
	As at 01.04.2016	Additions	Deductions	Revaluation Reserve adjusted	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions	Deductions due to transfer of Revaluation Reserve	As at 31.03.2017	As at 31.03.2017	As at 31.3.2016	
Own Assets:													
Land													
- Freehold	12,621,330	-	-		12,621,330	-	-	-		-	12,621,330	12,621,330	
- Leasehold	69,055,115	-	-	7,650,950	61,404,165					-	61,404,165	69,055,115	
Buildings	239,852,530		1,646,358	7,406,534	230,799,638	83,150,204	6,911,369		6,219,131	83,842,442	146,957,196	156,702,326	
Plant & Equipment	1,394,715,915	1,181,611			1,395,897,526	916,044,042	62,988,168			979,032,210	416,865,316	478,671,873	
Furniture & Fixtures	57,297,164	42,281			57,339,445	39,818,436	6,161,171			45,979,607	11,359,838	17,478,728	
Leasehold Building Improvement	11,340,968				11,340,968	6,584,928	1,470,024			8,054,952	3,286,016	4,756,040	
Vehicles	29,494,001	593,516	5,497,266		24,590,251	26,004,310	1,247,815	5,161,521		22,090,604	2,499,647	3,489,691	
Office Equipment	15,994,897	2,471,831			18,466,728	13,125,109	1,383,101			14,508,210	3,958,518	2,869,798	
Total	1,830,371,920	4,289,239	7,143,624	15,057,484	1,812,460,051	1,084,727,029	80,161,648	5,161,521	6,219,131	1,153,508,025	658,952,026	745,644,891	
Previous Year	1,808,893,406	22,675,442	1,196,928	-	1,830,371,920	1,000,901,518	84,962,593	1,137,082	-	1,084,727,029	745,644,891	807,991,888	

### 11.2 Intangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK			DEPRECIATION & AMORTIZATION					NET BLOCK	
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions	As at 31.03.2017	As at 31.03.2017	As at 31.3.2016
<b>Own Assets (Acquired):</b>										
- Software	33,145,806	6,438,401	-	39,584,207	30,566,226	1,496,464	-	32,062,690	7,521,517	2,579,580
<b>Total</b>	<b>33,145,806</b>	<b>6,438,401</b>	<b>-</b>	<b>39,584,207</b>	<b>30,566,226</b>	<b>1,496,464</b>	<b>-</b>	<b>32,062,690</b>	<b>7,521,517</b>	<b>2,579,580</b>
Previous Year	31,397,696	1,748,110	-	33,145,806	29,693,800	872,426	-	30,566,226	2,579,580	1,703,897

11.3.1 Revaluation Reserve adjusted Refer Note 3.4

Figure in ₹

Particulars	As at 31.03.2017	As at 31.03.2016
Land includes addition made due to revaluation as on 31 <sup>st</sup> March, 1994 in erstwhile Paramount Cable Corporation	-	7,650,950
Building includes addition made due to revaluation as on 31 <sup>st</sup> March, 1994 in erstwhile Paramount Cable Corporation	-	7,406,534
Amount of Depreciation pertaining to revaluation in case of Buildings	-	60,275

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

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

11.6 Land (Freehold) of ₹235,739/- as of 31st March, 2017 situated at Prahaladpur, Delhi is under acquisition as per the Land Acquisition Act, 1894. The matter is being contested.

11.7 As per changes made in AS 11 vide Companies(Accounting Standards) Amendment Rules 2009, further amended vide Amendment Rules 2011, during financial year 2008-09 the company exercised option of deferring foreign exchange difference arising on long term foreign currency monetary items viz 'FCCBs', Foreign Currency Term Loan to the Profit and Loss account, in respect of accounting periods commencing on or after December 22, 2006. As a result, such foreign exchange difference relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets and would be depreciated over the balance life of the assets and in other cases has been accumulated in 'FCMITDA'. Exchange gain/(loss) (net) ₹5,184,000/- (Previous year exchange gain/(loss) (net) ₹(13,860,000/-) has been adjusted in gross block of Fixed Assets. Exchange difference on External Commercial Borrowing (ECBs) raised for repurchasing FCCBs has been transferred to 'FCMITDA'

11.8 Additions are after adjusting exchange gain /(loss) (net) ₹5,184,000/- (Previous Year exchange gain/ (loss) (net) ₹(13,860,000/-))

Figure in ₹

Assets	31.03.2017	31.03.2016
i. Building	1,646,358	(4,401,721)
ii. Plant & Equipment	3,258,704	(8,712,507)
iii. Furniture & Fixtures	184,504	(493,292)
iv. Software	94,434	(252,480)
<b>Total</b>	<b>5,184,000</b>	<b>(13,860,000)</b>



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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Other Investments</b> (Valued at Cost unless stated otherwise)				
<b>Quoted</b>				
Equity Shares				
- Haryana Financial Corporation Nil (Previous Year 4,800) Equity Shares of ₹ 10/- each, fully paid		-		168,000
Equity Shares of Subsidiary Companies				
- Paramount Holdings Limited, Cyprus 3675 (Previous Year 3675) Equity Shares of € 1.71 each , fully paid	255,469,782		255,469,782	
Less : Provision for Diminution in value of investment	255,469,781	1	255,469,781	1
- AEI Power Cables Limited, United Kingdom 1,000 (Previous Year 1,000) Equity Shares of £1 each, fully paid	76		76	
Less : Provision for Diminution in value of investment	75	1	75	1
- 06196375 Cables Limited (formerly AEI Cables Limited), United Kingdom in administration/liquidation 20,000 (Previous Year 20,000) Equity Shares of £1 each, fully paid	76		76	
Less : Provision for Diminution in value of investment	75	1	75	1
<b>Unquoted</b>				
Preference Shares of Subsidiary Companies				
- AEI Power Cables Limited, United Kingdom 100,000 preference shares (previous year 100,000) of £1 each, fully paid		-		-
- 06196375 Cables Limited (formerly AEI Cables Limited), United Kingdom in administration/liquidation 2,995,000 (previous year 2,995,000) Redeemable Preference Shares of £1 each, fully paid		-		-
Total		3		168,003
<b>Quoted Investments</b>				
- Aggregate of Book Value		-		168,000
- Aggregate of Market Value		-		118,320
- sold during the year		168,000		-
<b>Unquoted Investments</b>				
- Aggregate of Book Value	255,469,934			255,469,934
- Aggregate Provision for Diminution in value of investment	255,469,931			255,469,931

- 12.1 Aggregate Provision for diminution in value of investments in Paramount Holdings Limited, Cyprus, "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom and AEI Power Cables Limited, United Kingdom has been made keeping in view negative net worth.
- 12.2 AEI Power Cables Limited, United Kingdom has ceased to trade. From 1<sup>st</sup> April, 2017 it is dormant company, but the intention is still to remain in existence for the foreseeable future.
- 12.3 The board of directors of Paramount Holdings Limited, Cyprus are taking steps to liquidate Paramount holdings Limited.

### 13 Long Term Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Capital Advances		1,992,220		2,992,220
Security Deposits				
- Related Parties (Refer Note 13.1)	18,000,000		18,000,000	
- Others	10,405,600	28,405,600	8,831,600	26,831,600
Loans and Advances to Workers & Staff		586,206		830,762
Advance to Related Parties - Considered Doubtful				
- Paramount Holdings Limited (Subsidiary Company)	7,380,392		7,380,392	
[Maximum Balance during the year ₹7,380,392/- (Previous Year ₹7,380,392/-)]				
Less: - Provision for advances recoverable from subsidiary Company	7,380,392	-	7,380,392	-
<b>Total</b>		<b>30,984,026</b>		<b>30,654,582</b>

13.1 Disclosure pursuant to regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

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

Figures in ₹

Name	As at 31.03.2017	Maximum Balance during 2016-17	As at 31.03.2016	Maximum Balance during 2015-16
Paramount Telecables Limited	18,000,000/-	18,000,000/-	18,000,000/-	18,000,000/-
— Security deposit for premises taken on rent by the Company and adjustable/refundable as per terms & conditions of the Lease Agreement.				
(b) Investment by the Loanee in the shares of the company				
<u>Equity Shares</u>				
- Amount (par value)	49,703,000		49,703,000	
- No of shares	24,851,500		24,851,500	
<u>Preference Shares</u>				
- Amount (par value)	76,500,000		76,500,000	
- No of shares	765,000		765,000	

### 14 Inventories

(as taken, valued & certified by the management)

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Raw Materials		82,069,415		156,078,308
Work -in- Progress		15,825,849		165,908,193
Finished Goods		21,111,782		198,181,805
Stores & Spares		11,388,659		12,495,228
Packing Materials		1,800,515		3,668,399
Scrap		909,162		2,466,238
<b>Total</b>		<b>133,105,382</b>		<b>538,798,171</b>

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Unsecured</b>				
Outstanding for a period exceeding six months from the date due for payment				
- Considered Good	122,519,053		174,153,925	
- Considered Doubtful	230,709,063		114,917,900	
	353,228,116		289,071,825	
Less : Provision for Bad and Doubtful Debts	230,709,063	122,519,053	114,917,900	174,153,925
Others				
- Considered Good	1,039,490,512		1,163,580,078	
- Considered Doubtful	-		-	
	1,039,490,512		1,163,580,078	
Less : Provision for Bad and Doubtful Debts	-	1,039,490,512	-	1,163,580,078
Total		1,162,009,565		1,337,734,003

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Cash on hand		5,012,272		7,187,803
Balances with Banks				
- Current Accounts	4,451,774		2,289,965	
- Fixed Deposits (Refer Note 16.1)	275,303,674	279,755,448	269,287,910	271,577,875
Total		284,767,720		278,765,678
Fixed Deposit with more than twelve months maturity		123,103,753		131,920,712

16.1 Fixed deposits with banks ₹275,303,674/- (Previous Year ₹269,287,910/-) are under lien/custody with banks/ others.

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Balance with Excise Authorities		27,569,403		51,663,001
Others				
- Advances to Supplier	63,510,410		24,471,023	
- Prepaid Expenses	1,494,935		3,803,901	
- Amount Recoverable in Cash or Kind	4,195,047		2,669,480	
- Earnest Money Deposits	13,192,477		10,835,817	
- Security Deposits	621,024		641,921	
- Loans to Workers & Staff	1,745,228		1,214,047	
- Advances to Workers & Staff	4,052,250		3,781,965	
- Claims Recoverable from Government	63,302,477		58,293,535	
- Advance Tax/ Income Tax Recoverable	18,251,203	170,365,051	16,016,184	121,727,874
Total		197,934,454		173,390,875

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Interest Accrued on Deposits		28,651,020		22,282,984
Total		28,651,020		22,282,984

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Sale of Products				
- Manufactured Goods	3,475,004,927	3,475,004,927	3,407,529,868	3,407,529,868
- Traded Goods	-		-	
Other Operating Revenue				
- Export Benefits	2,069,593	26,306,488	2,523,550	31,620,193
- Sale of Scrap	24,236,895		29,096,643	
<b>Total</b>		<b>3,501,311,415</b>		<b>3,439,150,061</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Power Cables		2,597,628,870		2,898,457,625
Jelly Filled Telephone Cables		502,830,559		182,580,220
Optical Fibre Cables		374,545,498		326,492,023
<b>Total</b>		<b>3,475,004,927</b>		<b>3,407,529,868</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Cables & Accessories		-		-
<b>Total</b>		<b>-</b>		<b>-</b>

**20 Other Income**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Interest Income				
- Fixed Deposits	22,869,119	32,209,236	17,790,213	23,316,449
- on Income tax Refund	-		239,583	
- Others	9,340,117		5,286,653	
Exchange Fluctuation (Net)		10,154,850		-
Insurance Claim Received		200,467		643,243
Miscellaneous Income		542,467		9,595
Profit on sale/disposal of Fixed Assets (Net)		63,254		198,154
<b>Total</b>		<b>43,170,274</b>		<b>24,167,441</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
<b>Raw Materials consumed</b>				
- Opening Stock	156,078,308	2,532,915,589	220,007,271	2,678,408,784
Add : Purchases	2,458,906,696		2,614,479,821	
Less : Closing Stock	82,069,415		156,078,308	
		<b>2,532,915,589</b>		<b>2,678,408,784</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Copper		895,575,751		907,340,058
Aluminum, Metal & Braiding		572,659,815		773,009,589
PVC/PE		631,502,770		674,918,137
GI Wires/Strips		163,843,825		171,992,003
Others		269,333,428		151,148,997
<b>Total</b>		<b>2,532,915,589</b>		<b>2,678,408,784</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Cables & Accessories		-		-
<b>Total</b>		<b>-</b>		<b>-</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
<b>Opening Stock</b>				
- Finished Goods	198,181,805	366,556,236	254,502,921	523,446,251
- Work In Progress	165,908,193		266,280,951	
- Scrap	2,466,238		2,662,379	
<b>Less; Closing Stock</b>				
- Finished Goods	21,111,782	37,846,793	198,181,805	366,556,236
- Work In Progress	15,825,849		165,908,193	
- Scrap	909,162		2,466,238	
		<b>328,709,443</b>		<b>156,890,015</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Salaries, Wages & Others Benefits	139,145,648	151,229,302	120,393,104	131,271,744
Contribution to Provident & Other Funds	6,528,394		5,906,451	
Welfare Expenses	5,555,260		4,972,189	
		<b>151,229,302</b>		<b>131,271,744</b>

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

**Defined Contribution Plan**

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

**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Contributory Provident Fund & Employees Pension Scheme, 1995		6,528,394		5,906,451

**Defined Benefit Plan**

The company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

**Figures in ₹**

Particulars	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Unfunded) 2015-16
<b>a) Actuarial Assumptions</b>				
Discount rate	7.80	7.00	7.80	7.70
Expected rate of return on assets	8.00	-	8.00	-
Expected rate of future salary increase	8.00	9.00	8.00	9.00
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Present value of obligations as at beginning of year	19,697,107	11,890,137	17,922,541	11,049,981
Interest cost	1,477,283	915,541	1,397,958	861,899
Current Service Cost	2,724,586	1,364,577	2,161,616	1,003,776
Benefits paid		(622,799)		(599,144)
Actuarial (gain)/loss on Obligations	2,946,102	(504,992)	(1,785,008)	(426,375)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Present value of obligations as at end of year	26,845,079	13,042,464	19,697,107	11,890,137
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as on beginning of year	20,620,881	-	17,602,810	-
Expected return on plan assets	1,649,670	-	1,408,225	-
Contributions	-	-	1,427,919	-
Benefits paid	-	-	-	-
Actuarial Gain/(Loss) on Plan assets	27,072	-	181,927	-
Fair value of plan assets at the end of year	22,297,624	-	20,620,881	-
<b>d) Fair value of plan assets</b>				
Fair value of plan assets at beginning of year	20,620,881	-	17,602,810	-
Actual return on plan assets	1,649,670	-	1,590,152	-
Contributions	-	-	1,427,919	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of year	22,297,624	-	20,620,881	-
Funded status	(4,547,455)	(13,042,464)	923,774	(11,890,137)
Excess of Actual over estimated return on plan	27,072	-	181,927	-
<b>e) Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year – Obligation	(2,946,102)	504,992	(1,966,935)	426,375
Actuarial (gain)/Loss for the year – plan assets	27,072	-	181,927	-
Total (gain)/Loss for the year	(2,919,030)	(504,992)	(1,785,008)	(426,375)
Actuarial (gain)/Loss recognized in the year	(2,919,030)	(504,992)	(1,785,008)	(426,375)
<b>f) The amounts recognized in the balance sheet</b>				
Present value of obligations as at the end of year	26,845,079	13,042,464	19,697,107	11,890,137
Fair value of plan assets as at the end of the year	22,297,624	-	20,620,881	-
Funded status	4,547,455	(13,042,464)	(923,774)	(11,890,137)
Net (Asset)/liability recognized in balance sheet	4,547,455	13,042,464	(923,774)	11,890,137
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>				
Current Service Cost	2,724,586	1,364,577	2,161,616	1,003,776
Interest cost	1,477,283	915,541	1,397,958	861,899
Expected return on plan assets	(1,649,670)	-	(1,408,225)	-
Net Actuarial (gain)/Loss recognized in the year	2,919,030	(504,992)	(1,966,935)	(426,375)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Expenses recognized in statement of Profit & Loss	5,471,229	1,775,126	184,414	1,439,300

Particulars	As at March 31,					
		2017	2016	2015	2014	2013
a) Obligations at year end	Gratuity	26,845,079	19,697,107	17,922,541	16,240,254	18,035,390
	Leave Encashment	13,042,464	11,890,137	11,049,981	9,312,746	13,233,746
b) Plan assets at year end, at fair value	Gratuity	22,297,624	20,620,881	17,602,810	14,822,121	16,560,493
	Leave Encashment	-	-	-	-	-
c) Funded Status surplus/ (Deficit)	Gratuity	4,547,455	(923,774)	(319,731)	(1,418,133)	(1,474,897)
	Leave Encashment	(13,042,464)	(11,890,137)	(11,049,981)	(9,312,746)	(13,233,746)
d) Experience adjustments on plan liabilities - (Loss)/Gain	Gratuity	416,096	1,740,609	1,574,096	116,854	(1,649,490)
	Leave Encashment	911,044	478,778	645,185	2,305,345	403,511
e) Experience adjustments on plan assets - (Loss)/Gain	Gratuity	27,072	181,927	37,267	(411,933)	38,128
	Leave Encashment	-	-	-	-	-

## 25 Finance Costs

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Interest Expense				
- Interest on Loans	<b>184,015,109</b>		721,513,529	
- Interest On Income Tax	<b>14,480</b>	<b>184,029,589</b>	40,711	721,554,240
Other Borrowing Costs		<b>5,490,133</b>		16,329,290
Total		<b>189,519,722</b>		737,883,530

25.1 In respect of dues to ARC which have been assigned by banks and in respect of which Settlement between company and ARC, no interest has been provided, since, the company is in the process of making settlement with the ARC. As per terms & conditions of Settlements with ARC during the year, no interest was charged by ARC.

25.2 "From 1<sup>st</sup> July, 2016 company has not provided for interest and other dues on borrowings from a bank which have become NPA account as per bank classification and are outstanding at the year end and in respect of which interest has been reversed/not charged in statements provided by the Bank. Amount of interest not provided ₹29,917,920/-. Company has obtained balance confirmation from aforesaid bank as on 31<sup>st</sup> March, 2017 and there are no material difference between outstandings as per the bank & company. Management is of the opinion that no further interest is to be provided other than already accounted for.

## 26 Depreciation and Amortisation Expenses

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Fixed Assets				
- Tangible Assets	<b>80,161,648</b>		84,962,593	
- Intangible Assets	<b>1,496,464</b>	<b>81,658,112</b>	872,426	85,835,019
		<b>81,658,112</b>		85,835,019

## 27 Other Expenses

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Stores , Spares & Consumables		<b>29,350,299</b>		23,407,975
Excise Duty (Refer Note 27.1)		<b>(19,493,101)</b>		(6,257,902)
Packing Expenses		<b>94,385,288</b>		90,134,990
Power, Fuel and Lighting		<b>96,344,940</b>		90,630,706

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Rent		22,615,006		22,568,522
Repair & Maintenance				
- Plant & Machinery	10,797,190		13,543,709	
- Building	1,906,123		1,806,266	
- Others	5,146,510	17,849,823	3,795,918	19,145,893
Insurance (Refer Note 27.2)		4,227,714		6,767,560
Rates and Taxes		1,137,878		1,413,660
Auditor's Remuneration (Refer Note 27.3)		1,880,636		2,023,680
Conversion Charges		4,718,345		3,575,975
Labour Charges		76,691,248		75,568,068
Rebates,Discount,Commission on Sales		22,032,037		18,583,520
Freight, Octroi & cartage		18,924,593		29,549,645
[Net of recovery ₹70,964,873/- (Previous Year ₹51,721,382/-)]				
Bad Debts written off/provided		119,726,929		28,350,194
Travelling and Conveyance		32,662,808		31,117,681
Amortisation of FCMITDA (Net)		10,565,004		32,718,270
Exchange Fluctuation (Net)		-		29,772,964
Advertisement & Publicity		534,863		1,622,436
Communication Expenses		5,256,950		4,966,909
Loss on sale/disposal of Investment		49,680		-
Donations		2,499,000		869,000
Directors Meeting Fee		825,000		850,000
Miscellaneous Expenses		90,485,680		58,330,828
Total		633,270,620		565,710,574

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

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

### 27.3 Auditor's Remuneration\*:

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Audit Fees		1,500,000		1,500,000
Tax Audit fees		150,000		150,000
Taxation Matters		90,000		133,500
Certification		104,536		202,500
Out of Pocket Expenses		36,100		37,680
		1,880,636		2,023,680

\*Excludes Service Tax



**27.4 Value of Imports on CIF basis**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
- Raw Materials purchases		338,316,209		354,804,550
- Stores, Spares & Consumables		1,600,373		2,601,910

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
<b>Finance Cost</b>				
- Interest on Loan		-		25,132,024
<b>Other Expenses</b>				
- Travelling & Conveyance		3,727,221		4,568,208
- Miscellaneous Expenses		7,664,699		4,082,169
- Annual Maintenance Fee to Exchange		194,775		184,925

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
	Percentage	Amount	Percentage	Amount
<b>Materials</b>				
- Indigenous	87.03	2,204,437,409	86.75	2,323,604,234
- Imported	12.97	328,478,180	13.25	354,804,550
Total	100.00	2,532,915,589	100	2,678,408,784
<b>Stores, Spares &amp; Consumables</b>				
- Indigenous	94.55	27,749,926	88.88	20,806,065
- Imported	5.45	1,600,373	11.12	2,601,910
Total	100.00	29,350,299	100	23,407,975
<b>Packing Materials</b>				
- Indigenous	100.00	94,385,288	100	90,134,990
- Imported	-	-	-	-
Total	100.00	94,385,288	100	90,134,990
<b>Traded Goods</b>				
- Indigenous	-	-	-	-
- Imported	-	-	-	-
Total	-	-	-	-

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
- Exports (on FOB Prices)		149,901,553		1,209,843

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Write back of Provision for doubtful debts recoverable from AEI power Cables Limited (Subsidiary)	-	15,490,408
Provision for advances recoverable from subsidiary Company	-	(229,107)
-Write back on Settlement of Loan Liabilities (Refer Note 28.1)	714,204,200	-
	714,204,200	15,261,301

28.1 Company has received and accepted Sanction letter / in principle approval with ARC for payment of ₹373,800,000/- towards full & final payment of the amount due & payable to ARC Subject to Company complying with 'Schedule of Payments' referred to in Sanction letter / in principle approval. As per schedule of payment ₹167,500,000 /- is ought to be paid before 29<sup>th</sup> March, 2021 in half yearly installments and ₹206,300,000/- is ought to be paid before 30<sup>th</sup> September, 2021 in half yearly installments. Company has paid all the installments due upto 31<sup>st</sup> March, 2017 and is confident of meeting all payment schedules specified in Sanction letter / in principle approval. In opinion of the management the settled amounts with ARC are new borrowing/ liability since the lender is different from earlier lenders and the new borrowings/ liability are on substantially different terms viz as amount of settlement, schedule of payment etc. Hence, this modification is treated as de-recognition of the original liability and the recognition of a new liability.

Accordingly, Company has written back ₹714,204,200/- as exceptional item (settlement of dues) as difference between loans assigned to ARC by banks & Settlement amount between Company & ARC.

## 29 Earnings Per Equity Share pursuant to Accounting Standard- 20 ("AS-20")

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Net Profit /(Loss) after Taxation	(3,132,832)	(1,222,901,933)
Number of Equity Shares at the beginning of the year	125,233,465	125,233,465
Weighted average number of Equity shares for Basic EPS	125,233,465	125,233,465
Weighted average number of equity shares for Diluted EPS	125,233,465	125,233,465
Basic Earnings per Share (₹)	(0.03)	(9.76)
Diluted Earnings per Share (₹)	(0.03)	(9.76)
Face Value of each Equity Share (₹)	2/-	2/-

## 30 "Related party disclosures", for the year ended 31st March, 2017, as required by Accounting Standard-18 ("AS-18") are given below:

### Relationships:

#### i) Subsidiaries of the Company:

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

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

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

#### iii) Key Managerial Personnel:

Shri Sanjay Aggarwal , Chairman and CEO  
 Shri Sandeep Aggarwal , Managing Director  
 Shri Shambhu Kumar Agarwal, Chief Financial Officer  
 Ms Tannu Sharma, Company Secretary

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

Paramount Wires & Cables Limited  
 Surya Laboratories Private Limited  
 Valens Technologies Private Limited

\* All these three enterprises/entities are being included for the purposes of related party disclosures only because the same were earlier covered under the definition of related party in FY 2014-15 and thus reportable in the audited accounts for FY 2015-16 also for previous year comparison. However, in the opinion of the Management, these enterprises/ entities are no more covered under the definition of related party as per the Companies Act & the relevant accounting standards.

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

Particulars	Year	(i)	(ii)	(iii)	(iv)	TOTAL
Maximum outstanding of advance given during the year	<b>2016-17</b> 2015-16	<b>7,380,392</b> 7,380,392	- -	- -	- -	<b>7,380,392</b> 7,380,392
Advance given balance outstanding as at year end	<b>2016-17</b> 2015-16	<b>7,380,392</b> 7,380,392	- -	- -	- -	<b>7,380,392</b> 7,380,392
Provision for Advance as at year end	<b>2016-17</b> 2015-16	<b>7,380,392</b> 7,380,392	- -	- -	- -	<b>7,380,392</b> 7,380,392
Maximum outstanding of sundry debtors during the year	<b>2016-17</b> 2015-16	<b>55,001,966</b> 66,021,719	- -	- -	<b>272,774,097</b> 266,314,538	<b>327,776,063</b> 332,336,257
Sundry debtors outstanding as at year end	<b>2016-17</b> 2015-16	<b>55,001,966</b> 55,001,966	- -	- -	<b>209,723,203</b> 110,447,039	<b>264,725,169</b> 165,449,005
Provision for doubtful debts as at year end	<b>2016-17</b> 2015-16	<b>55,001,966</b> 55,001,966	- -	- -	- -	<b>55,001,966</b> 55,001,966
maximum outstanding of security deposits given for premises taken on rent	<b>2016-17</b> 2015-16	- -	<b>18,000,000</b> 18,000,000	- -	- -	<b>18,000,000</b> 18,000,000
outstanding of security deposit given for premises taken on rent as at year end	<b>2016-17</b> 2015-16	- -	<b>18,000,000</b> 18,000,000	- -	- -	<b>18,000,000</b> 18,000,000
Maximum outstanding balance of amount payable during the year	<b>2016-17</b> 2015-16	- -	- -	- -	<b>46,286,209</b> 130,089,462	<b>46,286,209</b> 130,089,462
Rent Paid for use of assets	<b>2016-17</b> 2015-16	- -	<b>20,856,106</b> 20,923,886	- -	- -	<b>20,856,106</b> 20,923,886
Managerial Remuneration	<b>2016-17</b> 2015-16	- -	- -	<b>9,187,250</b> 9,200,660	- -	<b>9,187,250</b> 9,200,660
Salaries and other Benefits	<b>2016-17</b> 2015-16	- -	- -	<b>2,737,586</b> 2,387,121	- -	<b>2,737,586</b> 2,387,121
sales	<b>2016-17</b> 2015-16	- -	- -	- -	<b>223,780,922</b> 301,851,069	<b>223,780,922</b> 301,851,069
Purchases of Raw Materials	<b>2016-17</b> 2015-16	- -	- -	- -	<b>44,325,224</b> 6,760,004	<b>44,325,224</b> 6,760,004

**b. Non-Financial Transactions:**

- Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings and also have pledged their share holding in the company with banks.
- Guarantee of ₹Nil (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2017 ₹ Nil (Previous year ₹ Nil/-).
- Paramount Telecables Limited has given its property as collateral by way of 2<sup>nd</sup> charge to the banks of the company.
- The remuneration does not include Gratuity and Provision for Leave Encashment under Accounting Standard - 15 (Revised) and personal accident insurance premium, since same is not available for individual employees.

**31 Operating Leases:**

The Company has entered into lease transactions during the current financial year mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 10 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. There are no subleases. The Operating lease payments recognized in the Profit & Loss account amount to ₹22,615,006/- (Previous year ₹22,568,522/-) for the leases, which commenced on or after April 1, 2001. Minimum lease payments under non-cancellable operating leases are:

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Minimum Lease Payments</b>		
— Not later than one year	<b>20,666,664</b>	20,666,664
— Later than one year but not later than five years	<b>35,166,662</b>	55,833,326
— Later than five years	-	-

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

**33 (i) Unhedged amount payable in foreign currency:**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017			As At 31 <sup>st</sup> March, 2016		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Payables	-	-	USD	25,547,270	383,535	USD
	37,248	533	EURO	-	-	EURO
Payables	<b>38,103,961</b>	<b>584,686</b>	USD	72,968,096	1,095,453	USD
FCCBs	<b>711,403,876</b>	<b>10,916,125</b>	USD	727,123,097	10,916,125	USD
Foreign Currency Term Loans	-	-	USD	332,755,575	4,995,580	USD

**33 (ii) Unhedged amount receivable in foreign currency:**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017			As At 31 <sup>st</sup> March, 2016		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Receivables	<b>99,537,432</b>	<b>1,100,487</b>	GBP	55,001,966	547,937	GBP
	<b>5,996,297</b>	<b>92,937</b>	USD	6,129,196	92,937	USD
Receivables	<b>7,478,530</b>	<b>104,757</b>	EURO	7,729,276	108,131	EURO
	<b>165,811</b>	<b>2,510</b>	USD	584,164	8,404	USD

**34 Contingent Liabilities & Commitments**

(to the extent not provided for)

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
34.1 Claims Against the Company not acknowledged as Debt		<b>9,115,454</b>		9,201,854
<b>34.2 Guarantees</b>				
i. Financial Bank Guarantees outstanding		<b>38,228,204</b>		35,530,200
ii. Guarantee of ₹ Nil (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Ltd				
- Credit Facilities availed by Paramount Wires & Cables Ltd.		-		-
<b>34.3 Duties &amp; Taxes</b>				
i. Income Tax				
- Demands under appeal		-		44,298,650
ii. Excise demands under appeal		<b>217,499,086</b>		222,102,658
iii. Service tax demands under appeal		<b>31,577,466</b>		31,587,069
iv. Custom duty demand due to denial of concessional custom duty, under appeal		<b>5,911,047</b>		6,434,896
<b>34.4 Other money for which company is contingently liable</b>				
i. Unutilised Letter of Credits		-		6,839,600
ii. Outstanding Bill discounted		<b>75,191,924</b>		179,941,540
iii. Right of recompense of CDR lenders for reliefs/sacrifices/waivers extended by respective CDR lenders to the company.		Amount unascertainable		Amount unascertainable
iv. Letter of demand from a bank due to guarantee given for borrowings of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (Subsidiary). In opinion of the company the amount of demand is yet to be finalised and agreed by the company. (This is co guaranteed by the Chairman & CEO and Managing Director of the Company in their individual capacity due to which company expects no final liability will arise on the company).	(₹)	<b>25,725,108</b>		33,280,722
	£	<b>312,805</b>		345,846
<b>34.5 Commitments</b>				
i. Estimated amount of contracts (net of advances) remaining to be executed on Capital Account.		-		-

35. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23<sup>rd</sup> November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a Premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹248,192,727/- (Gross of tax). A winding up petition was filed against the Company on behalf of the FCCB holders which has been dismissed by the court in earlier years.

### 36. Going Concern :

The company has recorded a net loss of ₹3,132,832/- for the year end and has accumulated losses of ₹4,390,714,878/- as at 31<sup>st</sup> March, 2017, resulting in negative net worth. The company has also defaulted in payments of interest and redemption amount of Foreign Currency Convertible Bonds (FCCBs) and interest and term loans installments to banks and other working capital facilities from banks. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:

- The company has not defaulted in payment of statutory dues or its trade creditors etc.
  - The company has entered in Settlement agreement with ARC for dues of two banks assigned to ARC. Further Company is negotiating with ARC for settlement of dues for another bank.
  - Subsequent to year end company has entered in to Settlement agreement with one bank.
  - The terms of settlements with ARC and Banks will reduce substantially company's negative net worth. Also Company has reasonable assurance of meeting terms and conditions of settlement with ARC/Bank. This reasonable assurance is based upon future cash flows of the Company and undertaking from the promoters of infusing necessary funds for meeting the obligations of settlement .
  - The Company and promoters have undertaken to raise and had raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies.
  - The company has strong order book position.
37. Name of AEI Cables Limited, United Kingdom was changed to "06196375 Cables Limited" w.e.f. 28<sup>th</sup> February, 2014. This Company is "in Administration/Liquidation" (as per UK laws).
38. Disclosures as to holdings as well as dealing in Specified Bank Notes (SBN) during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December ,2016

Figures in ₹

Particulars	SBNs	Other Denomination Notes	Total
Closing balance as at 8th November, 2016	16,239,000	1,485,291	17,724,291
(+) Permitted Receipts	-	2,054,513	2,054,513
(-) Permitted Payments	-	2,220,316	2,220,316
(-) Amount Deposited in banks	16,239,000	-	16,239,000
Closing cash in hand as on 30 <sup>th</sup> December, 2016	-	1,319,488	1,319,488

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs numbers S.O. 3407 (E), dated 08<sup>th</sup> November, 2016'.

- 39 Previous Year's figures have been regrouped / rearranged wherever necessary.

#### For JAGDISH CHAND & CO.

Firm Registration Number : 000129N  
**Chartered Accountants**

#### (J.C. Gupta)

Partner  
 Membership No. 6107

Place of signing : New Delhi

Date: 29<sup>th</sup> May, 2017

#### (Sanjay Aggarwal)

Chairman & CEO  
 DIN No. 00001788

#### (S K Agarwal)

Chief Financial Officer  
 Membership No. 053595

Place : New Delhi

Date : 29<sup>th</sup> May, 2017

#### (Sandeep Aggarwal)

Managing Director  
 DIN No. 00002646

#### (Tannu Sharma)

Company Secretary  
 Membership No. ACS 30622

## INDEPENDENT AUDITORS' REPORT

### To the Members of PARAMOUNT COMMUNICATIONS LIMITED

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of **PARAMOUNT COMMUNICATIONS LIMITED** ("the Company") and its subsidiaries hereinafter referred to as the "Group" (Refer Note 1.2 b 2) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

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

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

### Auditors' Responsibility

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

### Basis for Qualified Opinion

7. We state that "From 1<sup>st</sup> July, 2016 company has not provided for interest and other dues of ₹29,917,920/- on borrowings from a bank which have become NPA account as per bank classification and are outstanding at the year end and in respect of which interest has been reversed/not charged in statements provided by the Bank. Amount of interest not provided ₹29,917,920/- as per the estimate by the management. We further report that loss for the year would have been ₹33,910,453/- - as against reported figure ₹3,992,533/- and short term borrowings would have been ₹526,220,445/- as against reported



figure ₹496,302,525/- and debit balance in surplus would have been ₹4,391,302,877/- as against reported figure ₹4,361,384,957/- (Refer Note 25.2)

### Qualified Opinion

8. *In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.*

### Emphasis of Matter

9. We draw attention to
- The accompanying financial statements have been prepared on a going concern basis despite negative net worth, overdue in repayment of loan installments, interest to banks, working capital facilities from banks, overdue in redemption of Foreign Currency Convertible Bonds (FCCBs). The appropriateness of the said basis is inter-alia dependent on Company's ability to generate profit in future years and meet its financial obligations. (Refer Note 36)
  - For Banks who have assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitization and Asset Reconstruction Company, dues to those banks have been transferred and shown as due to Securitization and Asset Reconstruction Company. (Refer Note 9.3)
  - Company has received and accepted Sanction letter / in principle approval with ARC for payment of ₹373,800,000/- towards full & final payment of the amount due & payable to ARC Subject to Company complying with 'Schedule of Payments' referred to in Sanction letter / in principle approval. As per schedule of payment ₹167,500,000 /- is ought to be paid before 29<sup>th</sup> March, 2021 in half yearly installments and ₹206,300,000/- is ought to be paid before 30<sup>th</sup> September, 2021 in half yearly installments. Company has paid all the installments due upto 31<sup>st</sup> March, 2017 and is confident of meeting all payment schedules specified in Sanction letter / in principle approval. In opinion of the management the settled amounts with ARC are new borrowing/ liability since the lender is different from earlier lenders and the new borrowings/ liability are on substantially different terms viz as amount of settlement, schedule of payment etc. Hence, this modification is treated as de-recognition of the original liability and the recognition of a new liability. Accordingly, Company has written back ₹714,204,200/- as exceptional item (settlement of dues) as difference between loans assigned to ARC by banks & Settlement amount between Company & ARC. (Refer Note 28)
  - In respect of dues to ARC which have been assigned by banks and in respect of which Settlement between company and ARC, no interest has been provided, since, the company is in the process of making settlement with the ARC. As per terms & conditions of Settlements with ARC during the year, no interest was charged by ARC. (Refer Note 25.1)
  - "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014 and at present under winding up. Hence, consolidated financial statements do not include financial position, financial performance and cash flows of this subsidiary. (Refer Note 1.2 b 4)
  - In case of AEI Power Cables Limited, United Kingdom (Subsidiary Company), the company has ceased to trade. From 1<sup>st</sup> April, 2017, it is dormant company, but the intention is still to remain in existence for the foreseeable future. (Refer Note 1.2 b 5)
  - In case of Paramount Holdings Limited, Cyprus (Subsidiary Company), it is the intention of the Management to liquidate the Company as soon as arrangements can be made. (Refer Note 1.2 b 6)

Our opinion is not modified in respect of these matters.

### Other Matters

10. (a) The financial statements of one subsidiary included in the consolidated financial statements, which constitute total assets of ₹Nil and net assets of ₹Nil as at 31<sup>st</sup> March, 2017, 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 this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the afore said subsidiary, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.



- (b) The financial statements of one subsidiary included in the consolidated financial statements, which constitute total assets of ₹Nil and net assets of ₹Nil as at 31<sup>st</sup> March, 2017, total revenue of ₹Nil and net loss of ₹8,59,701/- , and net cash inflows of ₹(16,04,323/-) for the year then ended have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the others auditors.

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

### Report on Other Legal and Regulatory Requirements

11. 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2017 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. *Non provision of interest on borrowings from a bank as described in paragraph 7 under the Basis of Qualified Opinion paragraph above and the going concern matter described in sub-paragraph 10 (a) under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.*
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34.1 & 34.3 of the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017
  - 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, 2017.
  - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company, as applicable. - Refer Note No.37

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

(J.C. Gupta)  
 Partner

Membership Number: 06107

Place of signature : New Delhi  
 Date : 29<sup>th</sup> May, 2017

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

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the Board of Directors of **PARAMOUNT COMMUNICATIONS LIMITED** on the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2017

### **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, 2017 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Membership Number: 06107

Place of signature : New Delhi

Date : 29<sup>th</sup> May, 2017

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

Figures in ₹

	Note	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
<b>Shareholder's funds</b>					
Share Capital	2	326,966,930		326,966,930	
Reserves and surplus	3	(3,687,826,072)	(3,360,859,142)	(3,680,468,379)	(3,353,501,449)
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	369,862,750		886,714,339	
Deferred Tax Liability (Net)	5	-		-	
Long Term Provisions	6	30,647,077	400,509,827	21,200,954	907,915,293
<b>Current Liabilities</b>					
Short Term Borrowings	7	496,302,525		1,798,329,167	
Trade Payables	8				
- Micro, Small and Medium Enterprises		-		-	
- Others		191,862,417		510,972,597	
Other Current Liabilities	9	4,773,846,281		3,210,722,257	
Short Term Provisions	10	2,263,802	5,464,275,025	2,185,143	5,522,209,164
<b>TOTAL</b>			2,503,925,710		3,076,623,008
<b>ASSETS</b>					
<b>Non - Current Assets</b>					
Fixed Assets	11				
- Tangible assets	11.1	658,952,026		745,644,891	
- Intangible assets	11.2	7,521,517	666,473,543	2,579,580	748,224,471
Non- Current Investments	12		1		168,001
Long Term Loans and Advances	13		30,984,026		30,654,582
<b>Current Assets</b>					
Inventories	14	133,105,382		538,798,171	
Trade Receivables	15	1,162,009,564		1,282,732,037	
Cash and Bank Balances	16	284,767,720		280,370,001	
Short Term Loans and Advances	17	197,934,454		173,392,761	
Other Current Assets	18	28,651,020	1,806,468,140	22,282,984	2,297,575,954
<b>TOTAL</b>			2,503,925,710		3,076,623,008

Significant Accounting Policies and Notes on Financial Statements 1 to 40

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**

Firm Registration Number : 000129N

**Chartered Accountants**

**(J.C. Gupta)**

Partner

Membership No. 6107

**(Sanjay Aggarwal)**

Chairman & CEO

DIN No. 00001788

**(S K Agarwal)**

Chief Financial Officer

Membership No. 053595

**(Sandeep Aggarwal)**

Managing Director

DIN No. 00002646

**(Tannu Sharma)**

Company Secretary

Membership No. ACS 30622

**Place of signing : New Delhi**

**Date: 29<sup>th</sup> May, 2017**

**Place : New Delhi**

**Date : 29<sup>th</sup> May, 2017**

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Figures in ₹

	Note	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Revenue from Operations (Gross)	19	3,501,311,415		3,439,150,061	
Less: Excise Duty		344,515,933	3,156,795,482	345,481,070	3,093,668,991
Other Income	20		43,170,274		24,355,935
<b>Total Revenue</b>			<b>3,199,965,756</b>		<b>3,118,024,926</b>
<b>Expenses:</b>					
Cost of Materials Consumed	21		2,532,915,589		2,678,408,784
Purchases of Stock in Trade	22		-		-
(Increase) / Decrease in Finished goods, Work-in-progress and Stock-in-Trade	23		328,709,442		156,890,015
Employee Benefits Expense	24		151,229,302		131,271,744
Finance Costs	25		189,527,551		737,907,159
Depreciation and Amortization Expense	26		81,658,112		85,835,019
Other Expenses	27		634,122,493		566,475,315
<b>Total Expenses</b>			<b>3,918,162,489</b>		<b>4,356,788,036</b>
Profit/(Loss) Before exceptional items and tax			(718,196,733)		(1,238,763,110)
Exceptional items	28		714,204,200		-
Profit/(Loss) Before Tax			(3,992,533)		(1,238,763,110)
Tax Expense					
- Current tax		-	-	-	-
- Deferred tax		-	-	-	-
Profit / (loss) for the Year			(3,992,533)		(1,238,763,110)
Earnings per Equity Share:	29				
Equity Share of Face Value of ₹2/- each					
- Basic (₹)			(0.03)		(9.89)
- Diluted (₹)			(0.03)		(9.89)

Significant Accounting Policies and Notes on Financial Statements 1 to 40

As per our separate report of even date attached

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

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

Place of signing : New Delhi  
Date : 29<sup>th</sup> May, 2017

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

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

Place : New Delhi  
Date : 29<sup>th</sup> May, 2017

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

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(loss) before taxation and exceptional items	<b>(718,196,733)</b>	(1,238,763,110)
	<b>Adjustment for:</b>		
	Depreciation (Net)	<b>81,658,112</b>	85,835,019
	Financial Costs	<b>189,527,551</b>	737,907,159
	Loss /(profit) on sale/disposal of fixed assets	<b>(63,254)</b>	(198,154)
	Loss/(profit) on sale of Investment	<b>49,680</b>	-
	Amortisation of FCMITDA	<b>10,565,004</b>	32,718,270
	Exchange loss on FCCBs	<b>(5,616,000)</b>	15,015,000
	Provision for leave encashment/ Gratuity	<b>5,699,782</b>	520,425
	Exchange Fluctuation Reserve	<b>(65,374)</b>	7,285,806
	Operating profit before working capital changes	<b>(436,441,232)</b>	(359,679,584)
	<b>Adjustment for:</b>		
	Trade Receivables, Loans and Advances and Other Assets	<b>91,718,319</b>	307,601,154
	Inventories	<b>405,692,789</b>	219,054,106
	Trade Payables, Other Liabilities and Provisions	<b>(1,390,439,763)</b>	1,223,664,301
	<b>Cash generated from operations</b>	<b>(1,329,469,887)</b>	1,390,639,977
	Direct tax paid/ Refund	<b>(2,235,019)</b>	(10,838,663)
	<b>Cash flow before exceptional items</b>	<b>(1,331,704,906)</b>	1,379,801,314
	Exceptional items	<b>714,204,200</b>	-
	<b>Net cash from operating activities</b>	<b>(617,500,706)</b>	1,379,801,314
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets and other capital expenditure	<b>(15,911,640)</b>	(10,563,556)
	Sale of fixed assets	<b>2,045,357</b>	258,000
	Sale of Investment	<b>118,320</b>	-
	<b>Net cash used in investing activities</b>	<b>(13,747,963)</b>	(10,305,556)

Figures in ₹

S. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>C)</b>	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
	Proceeds from long term borrowings (Net of repayments)	<b>2,127,200,581</b>	(178,716,651)
	Working capital facilities from Bank	<b>(1,302,026,641)</b>	(349,072,540)
	Financial Costs	<b>(189,527,551)</b>	(737,907,159)
	<b>Net cash received/(used) from financial activities</b>	<b>635,646,389</b>	(1,265,696,350)
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>4,397,720</b>	103,799,408
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2016 (Opening Balance)	<b>280,370,001</b>	176,570,593
	Cash and cash equivalents as at 31 <sup>st</sup> March, 2017 (Closing Balance)	<b>284,767,721</b>	280,370,001
1.	<b>Note:</b> <b>Cash and cash equivalents includes:</b> Cash and bank balances Fixed Deposits under lien/ custody with banks/sales tax department Unclaimed Dividend Accounts <b>Total cash and cash equivalents as per balance sheet</b>	<b>9,464,046</b> <b>275,303,674</b> - <b>284,767,720</b>	11,082,091 269,287,910 - 280,370,001
2.	The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS 3 -"Cash Flow Statement " and notified in Companies (Accounting Standard ) Rules, 2006 (as amended).		
3.	Cash and cash equivalents represent cash and bank balances. (Refer note 16).		
4.	Figures in brackets represent cash outflow		
5.	Previous Year's figures have been regrouped / rearranged wherever necessary.		

As per our separate report of even date attached

**For JAGDISH CHAND & CO.**

Firm Registration Number : 000129N

**Chartered Accountants**

**(J.C. Gupta)**

Partner

Membership No. 6107

Firm Registration Number : 000129N

**(Sanjay Aggarwal)**

Chairman & CEO

DIN No. 00001788

**(S K Agarwal)**

Chief Financial Officer

Membership No. 053595

**(Sandeep Aggarwal)**

Managing Director

DIN No. 00002646

**(Tannu Sharma)**

Company Secretary

Membership No. ACS 30622

**Place of signing : New Delhi**

**Date: 29<sup>th</sup> May, 2017**

**Place : New Delhi**

**Date : 29<sup>th</sup> May, 2017**

## 1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

1.1 The consolidated financial statements relate to Paramount Communications Limited (Company) and its subsidiaries.

### a. Basis of Preparation

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

### b. Accounting Estimates

- i. The preparation of financial statements, in conformity with generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from estimates which are recognized in the period in which they are determined.

## 1.2 Principles of Consolidation

### a. Basis of Accounting

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

### b Principles of Consolidation

b 1 The consolidated financial statements have been prepared on the following principles:

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

b 2 The Consolidated Financial Statements include the results of the following entities:

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

b 3 Financial statements of Paramount Holdings Limited, Cyprus are drawn in Euro and AEI Power Cables Limited, United Kingdom are drawn in Sterling Pound.

b 4 . "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration/Liquidation" (as per UK laws) w.e.f. 28th February, 2014. Hence consolidated financial statements do not include financial position, financial



performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31<sup>st</sup> March, 2014. Now this company is under creditors' voluntary liquidation.

- b 5 AEI Power Cables Limited, United Kingdom has ceased to trade. From 1<sup>st</sup> April, 2017 it is dormant company, but the intention is still to remain in existence for the foreseeable future.
- b 6 The board of directors of Paramount Holdings Limited, Cyprus are taking steps to liquidate Paramount holdings Limited. The Financial Statements of PHL are unaudited and in opinion of the management, these financial statements / financial informations are not material to the group.

### 1.3 Other Significant Accounting Policies

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

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

#### b Depreciation and Amortisation

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

#### c Investments

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

#### d Inventories

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

#### e Foreign Currency Transactions

- i. Foreign currency transactions remaining unsettled at the year end are translated at year end rate. Premium in respect of forward contracts is accounted over the period of contract. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.
- ii. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of transaction.

- iii. Exchange difference arising on reporting of long term foreign currency monetary items:-
  - In so far as they relate to the acquisition of a depreciable capital assets are adjusted in the cost of assets.
  - In other cases are accumulated in a 'Foreign Currency Monetary Item Translation Difference Account (FCMITDA)' and are amortised over period of foreign currency monetary item or up to 31<sup>st</sup> March, 2020, whichever is earlier.
- iv. Non monetary foreign currency items are carried at cost.

**f Revenue Recognition**

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

**g Excise Duty**

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

**h Employees Benefits**

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

**i Reserves**

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

**l. Preliminary Expenses**

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

**j Taxes on Income**

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

**k Impairment of Fixed Assets**

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

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

**l Contingent Liabilities**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**2 Share Capital**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Authorised:</b>		
250,000,000 (Previous Year 250,000,000) Equity Shares of ₹2/- each	<b>500,000,000</b>	500,000,000
1,000,000 (Previous Year 1,000,000) Redeemable Preference Shares of ₹100/- each	<b>100,000,000</b>	100,000,000
	<b>600,000,000</b>	600,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
125,233,465 (Previous Year 125,233,465) Equity Shares of ₹2/- each fully paid	<b>250,466,930</b>	250,466,930
765,000 (Previous Year 765,000) 0% Non-Convertible Redeemable Preference Shares (NCRPS) of ₹100/-each	<b>76,500,000</b>	76,500,000
<b>Total</b>	<b>326,966,930</b>	326,966,930

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

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

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

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

**2.2 Reconciliation of Number of Equity Shares**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	<b>125,233,465</b>	<b>250,466,930</b>	125,233,465	250,466,930
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	<b>125,233,465</b>	<b>250,466,930</b>	125,233,465	250,466,930

**Reconciliation of Number of Preference Shares**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
	Nos.	Amount	Nos.	Amount
Balance as at the beginning of the year	<b>765,000</b>	<b>76,500,000</b>	765,000	76,500,000
Add: Issued during the year	-	-	-	-
Balance as at the end of the year	<b>765,000</b>	<b>76,500,000</b>	765,000	76,500,000

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

Name of Shareholder	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
	Nos.	%age	Nos.	%age
<b>Equity Shareholders</b>				
M/s Paramount Telecables Limited	24,851,500	19.84	24,851,500	19.84
M/s April Investment and Finance Pvt. Ltd.	13,040,172	10.41	13,040,172	10.41
<b>Preference Shareholder</b>				
M/s Paramount Telecables Limited	765,000	100.00	765,000	100.00

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Capital Reserve</b>				
- Capital Investment Subsidy	3,000,000		3,000,000	
Balance at the beginning of the year				
- Profit on Issue of forfeited shares	31,100	3,031,100	31,100	3,031,100
Balance at the beginning of the year		(29,329,924)		(29,264,550)
Exchange Fluctuation Reserve				
<b>Securities Premium Account</b>				
Balance at the beginning of the year	678,279,437		682,104,437	
Less : Provision for Premium on redemption of Preference Shares (Refer Note 3.1)	3,825,000	674,454,437	3,825,000	678,279,437
<b>Revaluation Reserve</b>				
Balance at the beginning of the year	8,838,353		8,898,628	
Less : Transfer to Fixed Assets	8,838,353		-	
Less : Transfer to General Reserve (Refer Note 3.4)	-	-	60,275	8,838,353
<b>General Reserve</b>				
Balance at the beginning of the year	25,403,272		25,342,997	
Add : Transfer from Revaluation Reserve	-	25,403,272	60,275	25,403,272
<b>Surplus</b>				
Balance at the beginning of the year	(4,357,392,424)		(3,118,629,314)	
Add : Transfer from Profit & Loss Statement	(3,992,533)	(4,361,384,957)	(1,238,763,110)	(4,357,392,424)
Foreign Currency Monetary Item Translation Difference Account (FCMITDA)				
Balance at the beginning of the year	(9,363,567)		(22,848,855)	
Add : Additions during the year	(1,201,437)		(19,232,982)	
Less : Written off during the year (Refer Note 3.3)	10,565,004	-	32,718,270	(9,363,567)
<b>Total</b>		(3,687,826,072)		(3,680,468,379)

3.1 During the year Redemption Premium payable on prorata basis ₹3,825,000/- (Previous Year ₹3,825,000/-) on 0% Non-Convertible Redeemable Preference share (NCRPS) has been charged to Securities Premium Account.

3.2 In view of losses Capital Redemption Reserve required under Section 55 of the Companies Act, 2013 has not been created.

3.3 Are amortised over period of foreign currency monetary item or up to 31st March, 2020, whichever is earlier.

3.4 As per amendments made in Accounting Standard -10, on Property, Plant & Equipment (AS-10), w.e.f. 01.04.2016 all fixed assets of a particular category are to be revalued. In case of selective revaluation done in earlier years the AS-10

offered the alternative of adjusting outstanding balance in Revaluation Reserve against the carrying amount of that item in case company opts for not revaluing all fixed assets of that particular category. The company has transferred outstanding balance in Revaluation Reserve of ₹15,057,484/- as on 01.04.2016 to land ₹7,650,950/- and Building ₹7,406,534/- and accumulated depreciation ₹6,219,131/- thereon. This has no material impact on loss for the year.

#### 4 Long Term Borrowings

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Secured</b>				
Term Loans :				
— From Banks				
— Foreign Currency Loan	-		43,889,739	
— Rupee Loans	-		805,461,850	
— From Other Parties				
— From Securitisation and Assets Reconstruction Company (ARC)	332,500,000		-	
— From Financial Institution	37,362,750	369,862,750	37,362,750	886,714,339
<b>Total</b>		<b>369,862,750</b>		<b>886,714,339</b>

##### 4.1 Nature of Security :-

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

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

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

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

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

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

Figures in ₹

Nature of Payment	FY 2016-2017	FY 2015-2016	Period of default
Rupee Loans from banks	297,201,283	202,239,737	From June, 2013 to December, 2016
	92,361,568	85,325,945	Since June, 2013
	15,822,244	-	From June, 2016 to December, 2016
Foreign Currency Loans	285,219,063	190,146,042	From September, 2014 to December, 2016
Interest on Loans	539,353,223	476,982,504	from October, 2013 to December, 2016
	46,384,440	41,293,418	From September, 2014 to December, 2016
	23,288,086	20,721,708	Since October, 2013
	2,163,915	-	From June, 2016 to December, 2016

-The above information for the period and amount of default as at the year end is after considering loans/interest which have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the banks.

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

**Figures in ₹**

Nature of Payment	FY 2016-2017	Period of default	FY 2015-2016*	Period of default
Rupee Loans from banks	<b>62,702,601</b>	Since June, 2016	155,650,327	From November, 2014 to March, 2016
Interest on Loans	-	Since June, 2016	299,440,469	From November, 2014 to March, 2016

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

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

**Figures in ₹**

Rate of Interest	Maturity Profile			
10%	-	-	-	37,362,750
0%	41,000,000	60,500,000	144,300,000	86,700,000
<b>Total</b>	<b>41,000,000</b>	<b>60,500,000</b>	<b>144,300,000</b>	<b>124,062,750</b>

4.4 Based upon schedule of payment sanctioned/ in principle approval by ARC, Company has bifurcated dues to ARC between long term borrowings and other current liabilities.

**5 Deferred Tax Liability (Net)**

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Deferred Tax Assets :</b>				
- Leave Encashment	<b>6,087,519</b>		4,114,939	
- Unabsorbed Depreciation	<b>80,194,540</b>	<b>86,282,059</b>	97,616,070	101,731,009
<b>Deferred Tax Liabilities :</b>				
- Depreciation		<b>86,282,059</b>		101,731,009
<b>Total</b>		-		-

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

**6 Long Term Provisions**

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Employee Benefits (Refer Note 24.1)</b>		
— Leave Encashment	<b>11,025,223</b>	9,704,994
— Gratuity	<b>4,300,894</b>	-
Provision for Premium on Redemption of Preference Shares (Refer Note 2.1 & 3.1)	<b>15,320,960</b>	11,495,960
<b>Total</b>	<b>30,647,077</b>	21,200,954

## 7 Short Term Borrowings

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Secured</b>		
— Working Capital Loans from Banks	496,302,525	1,798,329,167
<b>Total</b>	496,302,525	1,798,329,167

### 7.1 Nature of Security :-

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

### 7.2 Period and amount of default:

- Working Capital Loans from banks are overdrawn to the extent of ₹539,432,964/- (Previous Year ₹539,432,964/-) due to devolvement of Letter of Credits from November, 2014 to December, 2016. Subsequently these loans have been assigned by bank to ARC.
- Interest on Working Capital Loans from banks are overdrawn to the extent of :

Figures in ₹

Nature of Payment	FY 2016-2017	FY 2015-2016	Period of default
Interest on Working Capital Loans	526,643,763	521,161,340	From November, 2014 to December ,2016
	46,076,503	28,554,668	Since June,2013
	44,452,194	-	From June, 2016 to December ,2016

- The above information for the period and amount of default as at the year end is after considering loans/interest which have been transferred to Securitisation and Assets Reconstruction Company as per intimation received from the banks.
- Working Capital Loans from a bank are in default due to non repayment of recalled loan by a bank since February, 2017.

Figures in ₹

Nature of Payment	FY 2016-2017	FY 2015-2016
Working Capital Loans	340,171,363	-
Interest on Working Capital Loans	4,021,092	-

7.3 Also refer note 25.2

## 8. Trade Payables

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
Micro, Small & Medium Enterprises	-	-
Others	-	294,956,554
- Acceptances	-	216,016,043
- Others	191,862,417	
<b>Total</b>	191,862,417	510,972,597

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

## 9 Other Current Liabilities

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Current Maturities of Long-Term Debt				
Term Loans :				
From Banks				
— Foreign Currency Loan	-		285,219,064	
— Rupee Loans	147,155,078		490,245,403	
From Securitisation and Assets Reconstruction Company (ARC)	34,600,000	181,755,078	-	775,464,467
(Refer Note 4.1 & 4.4)				
- Payable to Securitisation and Assets Reconstruction Company		3,735,464,658		497,703,098
(Refer Note 4.1, 7.1 & 9.3)				
Interest accrued and due on borrowings		28,038,756		1,081,046,536
(Refer Note 4.1, 7.2 & 9.1)		865,123		879,714
Interest accrued but not due on borrowings		-		-
Unpaid Dividends (Refer Note 9.2)		710,152,553		727,123,097
Foreign Currency Convertible Bonds 'FCCBs' (Refer Note 9.1)				
Interest accrued and due on FCCBs (Refer Note 9.1)		36,612,174		29,837,012
Interest accrued but not due on FCCBs		1,491,786		1,837,665
Employee Benefits Payable		10,962,689		26,713,536
Sundry Creditors -Capital Goods		-		575,999
Statutory Dues Payable		11,550,915		30,304,037
Advance from Customers		17,062,795		11,912,900
Other Payables		39,889,754		27,324,196
<b>Total</b>		<b>4,773,846,281</b>		<b>3,210,722,257</b>

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

- Principal amount of ₹488,775,000/- of 1% Foreign Currency Convertible Bonds ('FCCBs') is overdue for repayment since 23<sup>rd</sup> November, 2011. Interest on FCCBs ₹36,612,174/- due up to 31<sup>st</sup> December, 2016 has also not been paid and is over due. Premium on redemption of FCCB's of ₹222,628,876/- is also over due for payment since 23<sup>rd</sup> November, 2011.
- Refer Note 4.2 for default in repayment of Term Loans.

### 9.2 No amount is due as on 31<sup>st</sup> March, 2017 for credit to Investor Education and Protection Fund (Fund).

### 9.3 For Banks who have assigned and transferred the loan together with all underlying securities thereto and rights etc., to a Securitisation and Asset Reconstruction Company, dues to those banks have been transferred and shown as due to Securitisation and Asset Reconstruction Company.

### 9.4 Subsequent to the year end company has entered into Settlement with a bank. Dues of settlement are to be paid to the bank on or before 31<sup>st</sup> March, 2018. Outstanding (including interest) to this bank as on 31<sup>st</sup> March, 2017 has been stated on the basis of prorata calculation of amount outstanding acknowledged by the company in settlement.

## 10 Short Term Provisions

Figures in ₹

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Provision for Employee Benefits</b>				
(Refer Note 24.1)				
- Leave Encashment		2,017,241		2,185,143
- Gratuity		246,561		-
<b>Total</b>		<b>2,263,802</b>		<b>2,185,143</b>



## 11. FIXED ASSETS

### 11.1 Tangible Assets

Figures in ₹

DESCRIPTION	GROSS BLOCK				DEPRECIATION & AMORTIZATION					NET BLOCK	
	As at 01.04.2016	Additions	Deductions	Revaluation Reserve adjusted	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions	Deductions due to transfer of Revaluation Reserve	As at 31.03.2017	As at 31.03.2016
<b>Own Assets:</b>											
Land											
- Freehold	12,621,330	-	-		12,621,330	-	-	-		-	12,621,330
- Leasehold	69,055,115	-	-	7,650,950	61,404,165	-	-	-		-	61,404,165
Buildings	239,852,530	-	1,646,358	7,406,534	230,799,638	83,150,204	6,911,369	-	6,219,131	83,842,442	146,957,196
Plant & Equipment	1,394,715,915	1,181,611	-		1,395,897,526	916,044,042	62,988,168	-		979,032,210	416,865,316
Furniture & Fixtures	57,297,164	42,281	-		57,339,445	39,818,436	6,161,171	-		45,979,607	11,359,838
Leasehold Building Improvement	11,340,968	-	-		11,340,968	6,584,928	1,470,024	-		8,054,952	3,286,016
Vehicles	29,494,001	593,516	5,497,266		24,590,251	26,004,310	1,247,815	5,161,521		22,090,604	2,499,647
Office Equipment	15,994,897	2,471,831	-		18,466,728	13,125,109	1,383,101	-		14,508,210	3,958,518
<b>Total</b>	<b>1,830,371,920</b>	<b>4,289,239</b>	<b>7,143,624</b>	<b>15,057,484</b>	<b>1,812,460,051</b>	<b>1,084,727,029</b>	<b>80,161,648</b>	<b>5,161,521</b>	<b>6,219,131</b>	<b>1,153,508,025</b>	<b>658,952,026</b>
Previous Year	1,808,893,406	22,675,442	1,196,928	-	1,830,371,920	1,000,901,518	84,962,593	1,137,082	-	1,084,727,029	745,644,891

### 11.2 Intangible Assets

Figures in ₹

Figures in Lakhs											
DESCRIPTION	GROSS BLOCK			DEPRECIATION & AMORTIZATION					NET BLOCK		
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions	As at 31.03.2017	As at 31.03.2017	As at 31.3.2016	
Own Assets (Acquired):											
- Software	33,145,806	6,438,401	-	39,584,207	30,566,226	1,496,464	-	32,062,690	7,521,517	2,579,580	
Total	33,145,806	6,438,401	-	39,584,207	30,566,226	1,496,464	-	32,062,690	7,521,517	2,579,580	
Previous Year	31,397,696	1,748,110	-	33,145,806	29,693,800	872,426	-	30,566,226	2,579,580	1,703,897	

11.3.1 Revaluation Reserve adjusted Refer Note 3.4

Figure in ₹

Particulars	As at 31.03.2017	As at 31.03.2016
Land includes addition made due to revaluation as on 31 <sup>st</sup> March, 1994 in erstwhile Paramount Cable Corporation	-	7,650,950
Building includes addition made due to revaluation as on 31 <sup>st</sup> March, 1994 in erstwhile Paramount Cable Corporation	-	7,406,534
Amount of Depreciation pertaining to revaluation in case of Buildings	-	60,275

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

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

11.6 Land (Freehold) of ₹235,739/- as of 31<sup>st</sup> March, 2017 situated at Prahaldapur, Delhi is under acquisition as per the Land Acquisition Act, 1894. The matter is being contested.

11.7 As per changes made in AS 11 vide Companies(Accounting Standards) Amendment Rules 2009, further amended vide Amendment Rules 2011, during financial year 2008-09 the company exercised option of deferring foreign exchange difference arising on long term foreign currency monetary items viz 'FCCBs', Foreign Currency Term Loan to the Profit and Loss account, in respect of accounting periods commencing on or after December 22, 2006. As a result, such foreign exchange difference relating to the acquisition of depreciable capital assets have been adjusted with cost of such assets and would be depreciated over the balance life of the assets and in other cases has been accumulated in 'FCMITDA'. Exchange gain(loss) (net) ₹5,184,000/- (Previous year exchange gain/(loss) (net) ₹(13,860,000/-) has been adjusted in gross block of Fixed Assets. Exchange difference on External Commercial Borrowing (ECBs) raised for repurchasing FCCBs has been transferred to 'FCMITDA'

11.8 Additions are after adjusting exchange gain /(loss) (net) ₹5,184,000/- (Previous Year exchange gain/ (loss) (net) ₹(13,860,000/-))

Figure in ₹

Assets	31.03.2017	31.03.2016
i. Building	1,646,358	(4,401,721)
ii. Plant & Equipment	3,258,704	(8,712,507)
iii. Furniture & Fixtures	184,504	(493,292)
iv. Software	94,434	(252,480)
<b>Total</b>	<b>5,184,000</b>	<b>(13,860,000)</b>

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Other Investments</b> (Valued at Cost unless stated otherwise)				
<b>Quoted</b>				
Equity Shares				
- Haryana Financial Corporation		-		168,000
Nil (Previous Year 4,800) Equity Shares of ₹10/-each , fully paid				
Equity Shares of Subsidiary Company				
- "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (in administration)				
20,000 (Previous Year 20,000) Equity Shares of £ 1 each , fully paid	76		76	
Less : Provision for Diminution in value of investment	75	1	75	1
<b>Unquoted</b>				
Redeemable Preference Shares of Subsidiary Company				
- "06196375 Cables Limited" (formerly AEI Cables Ltd), United Kingdom (in administration)				
2,995,000 (previous year 2,995,000) Redeemable Preference Shares of £ 1 each , fully paid	-		-	
Less : Provision for Diminution in value of investment	-	-	-	-
<b>Total</b>		1		168,001
<b>Quoted Investments</b>				
- Aggregate of Book Value		-		168,000
- Aggregate of Market Value		-		118,320
- sold during the year		168,000		-
<b>Unquoted Investments</b>				
- Aggregate of Book Value		76		76
- Aggregate provision for Diminution in value of investment		75		75

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

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

**13 Long Term Loans and Advances**

(Unsecured, Considered Good)

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Capital Advances		1,992,220		2,992,220
Security Deposits				
- Related Parties (Refer Note 13.1)	18,000,000		18,000,000	
- Others	10,405,600	28,405,600	8,831,600	26,831,600
Loans and Advances to Workers & Staff		586,206		830,762
<b>Total</b>		<b>30,984,026</b>		<b>30,654,582</b>

13.1 Disclosure pursuant to regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

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

Name	As at 31.03.2017	Maximum Balance during 2016-17	As at 31.03.2016	Maximum Balance during 2015-16
Paramount Telecables Limited	18,000,000/-	18,000,000/-	18,000,000/-	18,000,000/-

— Security deposit for premises taken on rent by the Company and adjustable/refundable as per terms & conditions of the Lease Agreement.

(b) Investment by the Loanee in the shares of the company

<u>Equity Shares</u>				
- Amount (par value)	49,703,000		49,703,000	
- No of shares	24,851,500		24,851,500	
<u>Preference Shares</u>				
- Amount (par value)	76,500,000		76,500,000	
- No of shares	765,000		765,000	

**14 Inventories**

(as taken, valued &amp; certified by the management)

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Raw Materials		82,069,415		156,078,308
Work -in- Progress		15,825,849		165,908,193
Finished Goods		21,111,782		198,181,805
Stores & Spares		11,388,659		12,495,228
Packing Materials		1,800,515		3,668,399
Scrap		909,162		2,466,238
<b>Total</b>		<b>133,105,382</b>		<b>538,798,171</b>

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>Unsecured</b>				
Outstanding for a period exceeding six months from the date due for payment				
- Considered Good	122,519,053		119,151,959	
- Considered Doubtful	230,709,063		117,046,482	
	353,228,116		236,198,441	
Less: Provision for Bad and Doubtful Debts	230,709,063	122,519,053	117,046,482	119,151,959
<b>Others</b>				
- Considered Good	1,039,490,511		1,163,580,078	
- Considered Doubtful	-		-	
	1,039,490,511		1,163,580,078	
Less: Provision for Bad and Doubtful Debts	-	1,039,490,511	-	1,163,580,078
<b>Total</b>		1,162,009,564		1,282,732,037

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Cash on hand		5,012,272		7,187,803
Balances with Banks				
- Current Accounts	4,451,774		3,894,288	
- Fixed Deposits (Refer Note 16.1)	275,303,674	279,755,448	269,287,910	273,182,198
<b>Total</b>		284,767,720		280,370,001
Fixed Deposit with more than twelve months maturity		123,103,753		131,920,712

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

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Balance with Excise Authorities		27,569,403		51,663,001
<b>Others</b>				
- Advances to Supplier	63,510,410		24,471,023	
- Prepaid Expenses	1,494,935		3,803,901	
- Amount Recoverable in Cash or Kind	4,195,047		2,669,480	
- Earnest Money Deposits	13,192,477		10,835,817	
- Security Deposits	621,024		641,921	
- Loans to Workers & Staff	1,745,228		1,214,047	
- Advances to Workers & Staff	4,052,250		3,781,965	
- Claims Recoverable from Government	63,302,477		58,295,422	
- Advance Tax/ Income Tax Recoverable	18,251,203	170,365,051	16,016,184	121,729,760
<b>Total</b>		197,934,454		173,392,761

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

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
Interest Accrued on Deposits		28,651,020		22,282,984
<b>Total</b>		28,651,020		22,282,984

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Sale Of Products	<b>3,475,004,927</b>	<b>3,475,004,927</b>	3,407,529,868	3,407,529,868
- Manufactured Goods			-	
- Traded Goods				
Other Operating Revenue	<b>2,069,593</b>	<b>26,306,488</b>	2,523,550	31,620,193
- Export Benefits			29,096,643	
- Sale of Scrap	<b>24,236,895</b>			
<b>Total</b>		<b>3,501,311,415</b>		<b>3,439,150,061</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Power Cables		<b>2,597,628,870</b>		2,898,457,625
Jelly Filled Telephone Cables		<b>502,830,559</b>		182,580,220
Optical Fibre Cables		<b>374,545,498</b>		326,492,023
<b>Total</b>		<b>3,475,004,927</b>		<b>3,407,529,868</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Cables & Accessories		-		-
<b>Total</b>		-		-

**20 Other Income**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Interest Income	<b>22,869,119</b>	<b>32,209,236</b>	17,790,213	23,371,570
- Fixed Deposits			239,583	
- on Income tax Refund	-		5,341,774	
- Others	<b>9,340,117</b>			
Liabilities Written Back		-		133,373
Insurance Claim Received		<b>200,467</b>		643,243
Exchange Fluctuation (Net)		<b>10,154,850</b>		-
Miscellaneous Income		<b>542,467</b>		9,595
Profit on sale/disposal of Fixed Assets (Net)		<b>63,254</b>		198,154
<b>Total</b>		<b>43,170,274</b>		<b>24,355,935</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
<b>Raw Materials consumed</b>	<b>156,078,308</b>	<b>2,532,915,589</b>	220,007,271	2,678,408,784
- Opening Stock				
Add : Purchases	<b>2,458,906,696</b>		2,614,479,821	
Less : Closing Stock	<b>82,069,415</b>		156,078,308	
		<b>2,532,915,589</b>		<b>2,678,408,784</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Copper		895,575,751		907,340,058
Aluminum, Metal & Braiding		572,659,815		773,009,589
PVC/PE		631,502,770		674,918,137
GI Wires/Strips		163,843,825		171,992,003
Others		269,333,428		151,148,997
<b>Total</b>		<b>2,532,915,589</b>		<b>2,678,408,784</b>

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Cables & Accessories		-		-
<b>Total</b>		<b>-</b>		<b>-</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
<b>Opening Stock</b>				
- Finished Goods	198,181,805	366,556,235	254,502,921	523,446,251
- Work In Progress	165,908,193		266,280,951	
- Scrap	2,466,238		2,662,379	
<b>Less; Closing Stock</b>				
- Finished Goods	21,111,782	37,846,793	198,181,805	366,556,236
- Work In Progress	15,825,849		165,908,193	
- Scrap	909,162		2,466,238	
		<b>328,709,442</b>		<b>156,890,015</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Salaries, Wages & Others Benefits	139,145,648	151,229,302	120,393,104	131,271,744
Contribution to Provident & Other Funds	6,528,394		5,906,451	
Welfare Expenses	5,555,260		4,972,189	
		<b>151,229,302</b>		<b>131,271,744</b>

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

**Defined Contribution Plan**

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

**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Contributory Provident Fund & Employees Pension Scheme, 1995		6,528,394		5,906,451

**Defined Benefit Plan**

The company is having following Defined Benefit Plans:

- Gratuity (Funded)
- Leave Encashment (Unfunded)

**Figures in ₹**

Particulars	Gratuity (Funded) 2016-17	Leave Encashment (Unfunded) 2016-17	Gratuity (Funded) 2015-16	Leave Encashment (Unfunded) 2015-16
<b>a) Actuarial Assumptions</b>				
Discount rate	7.80	7.00	7.80	7.70
Expected rate of return on assets	8.00	-	8.00	-
Expected rate of future salary increase	8.00	9.00	8.00	9.00
<b>b) Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Present value of obligations as at beginning of year	19,697,107	11,890,137	17,922,541	11,049,981
Interest cost	1,477,283	915,541	1,397,958	861,899
Current Service Cost	2,724,586	1,364,577	2,161,616	1,003,776
Benefits paid		(622,799)		(599,144)
Actuarial (gain)/loss on Obligations	2,946,102	(504,992)	(1,785,008)	(426,375)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Present value of obligations as at end of year	26,845,079	13,042,464	19,697,107	11,890,137
<b>c) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as on beginning of year	20,620,881	-	17,602,810	-
Expected return on plan assets	1,649,670	-	1,408,225	-
Contributions	-	-	1,427,919	-
Benefits paid	-	-	-	-
Actuarial Gain/(Loss) on Plan assets	27,072	-	181,927	-
Fair value of plan assets at the end of year	22,297,624	-	20,620,881	-
<b>d) Fair value of plan assets</b>				
Fair value of plan assets at beginning of year	20,620,881	-	17,602,810	-
Actual return on plan assets	1,649,670	-	1,590,152	-
Contributions	-	-	1,427,919	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of year	22,297,624	-	20,620,881	-
Funded status	(4,547,455)	(13,042,464)	923,774	(11,890,137)
Excess of Actual over estimated return on plan	27,072	-	181,927	-
<b>e) Actuarial Gain/Loss recognized</b>				
Actuarial gain/(Loss) for the year – Obligation	(2,946,102)	504,992	(1,966,935)	426,375
Actuarial (gain)/Loss for the year – plan assets	27,072	-	181,927	-
Total (gain)/Loss for the year	(2,919,030)	(504,992)	(1,785,008)	(426,375)
Actuarial (gain)/Loss recognized in the year	(2,919,030)	(504,992)	(1,785,008)	(426,375)
<b>f) The amounts recognized in the balance sheet</b>				
Present value of obligations as at the end of year	26,845,079	13,042,464	19,697,107	11,890,137
Fair value of plan assets as at the end of the year	22,297,624	-	20,620,881	-
Funded status	4,547,455	(13,042,464)	(923,774)	(11,890,137)
Net (Asset)/liability recognized in balance sheet	4,547,455	13,042,464	(923,774)	11,890,137
<b>g) Expenses Recognized in statement of Profit &amp; Loss</b>				
Current Service Cost	2,724,586	1,364,577	2,161,616	1,003,776
Interest cost	1,477,283	915,541	1,397,958	861,899
Expected return on plan assets	(1,649,670)	-	(1,408,225)	-
Net Actuarial (gain)/Loss recognized in the year	2,919,030	(504,992)	(1,966,935)	(426,375)
Value of Obligation for employees transferred from Paramount Wire & Cables Ltd during the year	-	-	-	-
Expenses recognized in statement of Profit & Loss	5,471,229	1,775,126	184,414	1,439,300

Particulars	As at March 31,					
		2017	2016	2015	2014	2013
a) Obligations at year end	Gratuity	26,845,079	19,697,107	17,922,541	16,240,254	18,035,390
	Leave Encashment	13,042,464	11,890,137	11,049,981	9,312,746	13,233,746
b) Plan assets at year end, at fair value	Gratuity	22,297,624	20,620,881	17,602,810	14,822,121	16,560,493
	Leave Encashment	-	-	-	-	-
c) Funded Status surplus/ (Deficit)	Gratuity	4,547,455	(923,774)	(319,731)	(1,418,133)	(1,474,897)
	Leave Encashment	(13,042,464)	(11,890,137)	(11,049,981)	(9,312,746)	(13,233,746)
d) Experience adjustments on plan liabilities-(Loss)/Gain	Gratuity	416,096	1,740,609	1,574,096	116,854	(1,649,490)
	Leave Encashment	911,044	478,778	645,185	2,305,345	403,511
e) Experience adjustments on plan assets -(Loss)/Gain	Gratuity	27,072	181,927	37,267	(411,933)	38,128
	Leave Encashment	-	-	-	-	-

## 25 Finance Costs

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Interest Expense				
- Interest on Borrowings	184,015,109		721,513,529	
- Interest On Income Tax	14,480	184,029,589	40,711	721,554,240
Other Borrowing Costs		5,497,963		16,352,920
<b>Total</b>		<b>189,527,551</b>		<b>737,907,159</b>

25.1 In respect of dues to ARC which have been assigned by banks and in respect of which Settlement between company and ARC, no interest has been provided, since, the company is in the process of making settlement with the ARC. As per terms & conditions of Settlements with ARC during the year, no interest was charged by ARC.

25.2 "From 1<sup>st</sup> July, 2016 company has not provided for interest and other dues on borrowings from a bank which have become NPA account as per bank classification and are outstanding at the year end and in respect of which interest has been reversed/not charged in statements provided by the Bank. Amount of interest not provided ₹29,917,920/-. Company has obtained balance confirmation from aforesaid bank as on 31<sup>st</sup> March, 2017 and there are no material difference between outstandings as per the bank & company. Management is of the opinion that no further interest is to be provided other than already accounted for.

## 26 Depreciation and Amortisation Expenses

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Fixed Assets				
- Tangible Assets	80,161,648		84,962,593	
- Intangible Assets	1,496,464	81,658,112	872,426	85,835,019
		81,658,112		85,835,019

## 27 Other Expenses

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Stores, Spares & Consumables		29,350,299		23,407,975
Excise Duty (Refer Note 27.1)		(19,493,101)		(6,257,902)
Packing Expenses		94,385,288		90,134,990
Power, Fuel and Lighting		96,344,940		90,630,706



Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Rent		22,615,006		22,568,522
Repair & Maintenance				
- Plant & Machinery	10,797,190		13,543,709	
- Building	1,906,123		1,806,266	
- Others	5,146,510	17,849,823	3,795,918	19,145,893
Insurance (Refer Note 27.2)		4,227,714		6,767,560
Rates and Taxes		1,137,878		1,413,660
Auditor's Remuneration (Refer Note 27.3)		2,419,826		2,713,237
Conversion Charges		4,718,345		3,575,975
Labour Charges		76,691,248		75,568,068
Rebates,Discount,Commission on Sales		22,032,037		18,583,521
Freight, Octroi & cartage		18,924,593		29,549,645
[Net of recovery ₹70,964,873/ (Previous Year ₹51,721,382/-)]				
Bad Debts written off/provided		119,726,929		28,350,194
Travelling and Conveyance		32,662,808		31,117,681
Amortisation of FCMITDA (Net)		10,565,004		32,718,270
Exchange Fluctuation (Net)		-		29,772,964
Advertisement & Publicity		534,863		1,622,436
Communication Expenses		5,256,950		4,966,909
Loss on sale/disposal of Investment		49,680		-
Donations		2,499,000		869,000
Directors Meeting Fee		825,000		850,000
Miscellaneous Expenses		90,798,363		58,406,011
<b>Total</b>		<b>634,122,493</b>		<b>566,475,315</b>

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

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

### 27.3 Auditor's Remuneration\*:

Figures in ₹

Particulars	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
Audit Fees		1,920,831		1,943,287
Tax Audit fees		150,000		150,000
Taxation Matters		208,359		379,771
Certification & Consultancy		104,536		202,500
Out of Pocket Expenses		36,100		37,680
		<b>2,419,826</b>		<b>2,713,237</b>

\*Excludes Service Tax

**27.4 Value of Imports on CIF basis**
**Figures in ₹**

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
- Raw Materials purchases	<b>338,316,209</b>	354,804,550
- Stores, Spares & Consumables	<b>1,600,373</b>	2,601,910

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
<b>Finance Cost</b>		
- Interest on Loan	-	25,132,024
<b>Other Expenses</b>		
- Travelling & Conveyance	<b>3,727,221</b>	4,568,208
- Miscellaneous Expenses	<b>7,664,699</b>	4,082,169
- Annual Maintenance Fee to Exchange	<b>194,775</b>	184,925

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

Class of Goods	Year Ended 31 <sup>st</sup> March, 2017		Year Ended 31 <sup>st</sup> March, 2016	
	Percentage	Amount	Percentage	Amount
<b>Materials</b>				
- Indigenous	87.03	2,204,437,409	86.75	2,323,604,234
- Imported	12.97	328,478,180	13.25	354,804,550
<b>Total</b>	<b>100.00</b>	<b>2,532,915,589</b>	<b>100.00</b>	<b>2,678,408,784</b>
<b>Stores, Spares &amp; Consumables</b>				
- Indigenous	94.55	27,749,926	88.88	20,806,065
- Imported	5.45	1,600,373	11.12	2,601,910
<b>Total</b>	<b>100.00</b>	<b>29,350,299</b>	<b>100.00</b>	<b>23,407,975</b>
<b>Packing Materials</b>				
- Indigenous	100.00	94,385,288	100	90,134,990
- Imported	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>94,385,288</b>	<b>100.00</b>	<b>90,134,990</b>
<b>Traded Goods</b>				
- Indigenous	-	-	-	-
- Imported	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
- Exports (on FOB Prices)	<b>149,901,553</b>	1,209,843

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
- Write back on Settlement of Loan Liabilities (Refer Note 28.1)	<b>714,204,200</b>	-
	<b>714,204,200</b>	-

28.1 Company has received and accepted Sanction letter / in principle approval with ARC for payment of ₹373,800,000/- towards full & final payment of the amount due & payable to ARC Subject to Company complying with 'Schedule of Payments' referred to in Sanction letter / in principle approval. As per schedule of payment ₹167,500,000 /- is ought to be paid before 29<sup>th</sup> March, 2021 in half yearly installments and ₹206,300,000/- is ought to be paid before 30<sup>th</sup> September, 2021 in half yearly installments. Company has paid all the installments due upto 31<sup>st</sup> March, 2017 and is confident of meeting all payment schedules specified in Sanction letter / in principle approval. In opinion of the management the settled amounts with ARC are new borrowing/ liability since the lender is different from earlier lenders and the new borrowings/ liability are on substantially different terms viz as amount of settlement, schedule of payment etc. Hence, this modification is treated as de-recognition of the original liability and the recognition of a new liability. Accordingly , Company has written back ₹714,204,200/- as exceptional item (settlement of dues) as difference between loans assigned to ARC by banks & Settlement amount between Company & ARC.

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

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Net Profit /(Loss) after Taxation	<b>(3,992,533)</b>	(1,238,763,110)
Number of Equity Shares at the beginning of the year	<b>125,233,465</b>	125,233,465
Weighted average number of Equity shares for Basic EPS	<b>125,233,465</b>	125,233,465
Weighted average number of equity shares for Diluted EPS	<b>125,233,465</b>	125,233,465
Basic Earnings per Share (₹)	<b>(0.03)</b>	(9.89)
Diluted Earnings per Share (₹)	<b>(0.03)</b>	(9.89)
face Value of each Equity Share (₹)	<b>2/-</b>	2/-

**30 "Related party disclosures", for the year ended 31<sup>st</sup> March, 2017, as required by Accounting Standard-18 ("AS-18") are given below:**

**Relationships:**

**i) Subsidiary of the Company:**

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

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

Sanjay Aggarwal (HUF)

Sandeep Aggarwal (HUF)

S.S. Aggarwal (HUF)

April Investment & Finance Private Limited

Worth Finance & Leasing Private Limited

Paramount Telecables Limited

S.S. Aggarwal Foundation

**iii) Key Managerial Personnel:**

Mr. Sanjay Aggarwal

Mr. Sandeep Aggarwal

Mr. Shambhu Kumar Agarwal, Chief Financial Officer

Ms Tannu Sharma, Company Secretary

Mr. Keith Ainsworth, Company Secretary

Mr. Rattan Aggarwal (resigned on 26.08.2016)

Mr. Alex Calder ( w.e.f 26<sup>th</sup> August, 2016)

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

Paramount Wires & Cables Limited

Surya Laboratories Private Limited

Valens Technologies Private Limited

\* All these three enterprises/entities are being included for the purposes of related party disclosures only because the same were earlier covered under the definition of related party in FY 2014-15 and thus reportable in the audited accounts for FY 2015-16 also for previous year comparison. However, in the opinion of the Management, these enterprises/ entities are no more covered under the definition of related party as per the Companies Act & the relevant accounting standards.

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

Particulars	Year	(i)	(ii)	(iii)	(iv)	TOTAL
Maximum outstanding of sundry debtors during the year	<b>2016-17</b> 2015-16	- -	- -	- -	<b>272,774,097</b> 266,314,538	<b>272,774,097</b> 266,314,538
Sundry debtors outstanding as at year end	<b>2016-17</b> 2015-16	- -	- -	- -	<b>209,723,203</b> 110,447,039	<b>209,723,203</b> 110,447,039
maximum outstanding of security deposits given for premises taken on rent	<b>2016-17</b> 2015-16	- -	<b>18,000,000</b> 18,000,000	- -	- -	<b>18,000,000</b> 18,000,000
outstanding of security deposit given for premises taken on rent as at year end	<b>2016-17</b> 2015-16	- -	<b>18,000,000</b> 18,000,000	- -	- -	<b>18,000,000</b> 18,000,000
Maximum outstanding balance of amount payable during the year	<b>2016-17</b> 2015-16	- -	- -	- -	<b>46,286,209</b> 130,089,462	<b>46,286,209</b> 130,089,462
Rent Paid for use of assets	<b>2016-17</b> 2015-16	- -	<b>20,856,106</b> 20,923,886	- -	- -	<b>20,856,106</b> 20,923,886
Managerial Remuneration	<b>2016-17</b> 2015-16	- -	- -	<b>9,187,250</b> 9,200,660	- -	<b>9,187,250</b> 9,200,660
Salaries and other Benefits	<b>2016-17</b> 2015-16	- -	- -	<b>2,737,586</b> 2,387,121	- -	<b>2,737,586</b> 2,387,121
sales	<b>2016-17</b> 2015-16	- -	- -	- -	<b>223,780,922</b> 301,851,069	<b>223,780,922</b> 301,851,069
Purchases of Raw Materials	<b>2016-17</b> 2015-16	- -	- -	- -	<b>44,325,224</b> 6,760,004	<b>44,325,224</b> 6,760,004

**b. Non-Financial Transactions:**

- Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for Company's borrowings and also have pledged their share holding in the company with banks.
- Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal have given personal guarantees to banks/financial institutions for AEI's borrowings.
- Guarantee of ₹Nil (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Limited. Credit facilities availed by the said company as on 31.03.2017 ₹Nil (Previous year ₹Nil/-).
- Paramount Telecables Limited has given its property as collateral by way of 2<sup>nd</sup> charge to the banks of the company.
- The remuneration does not include Gratuity and Provision for Leave Encashment under Accounting Standard -15 (Revised) and personal accident insurance premium ,since same is not available for individual employees.

**31 Operating Leases:**

The Company has entered into lease transactions during the current financial year mainly for leasing of storage / office premises and company leased accommodations for its employees for periods upto 10 years. Terms of Lease include terms of renewal, increase in rents in future periods and terms of cancellation. There are no subleases. The Operating lease payments recognized in the Profit & Loss account amount to ₹22,615,006/- (Previous year ₹22,568,522/-) for the leases, which commenced on or after April 1, 2001. Minimum lease payments under non-cancellable operating leases are:

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017	As At 31 <sup>st</sup> March, 2016
<b>Minimum Lease Payments</b>		
— Not later than one year	<b>20,666,664</b>	20,666,664
— Later than one year but not later than five years	<b>35,166,662</b>	55,833,326
— Later than five years	-	-

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

**33 (i) Unhedged amount payable in foreign currency:**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017			As At 31 <sup>st</sup> March, 2016		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Payables	-	-	USD	25,547,270	383,535	USD
	37,248	533	EURO	-	-	EURO
Payables	<b>38,103,961</b>	<b>584,686</b>	USD	72,968,096	1,095,453	USD
FCCBs	<b>711,403,876</b>	<b>10,916,125</b>	USD	727,123,097	10,916,125	USD
Foreign Currency Term Loans	-	-	USD	332,755,575	4,995,580	USD

**33 (ii) Unhedged amount receivable in foreign currency:**
**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017			As At 31 <sup>st</sup> March, 2016		
	Amount in (₹)	Amount in Foreign Currency	Foreign Currency	Amount in (₹)	Amount in Foreign Currency	Foreign Currency
Trade Receivables	<b>44,535,466</b>	<b>552,550</b>	GBP	-	-	GBP
	<b>5,996,297</b>	<b>92,937</b>	USD	6,129,196	92,937	USD
Receivables	<b>98,138</b>	<b>1,278</b>	EURO	348,884	4,652	EURO
	<b>165,811</b>	<b>2,510</b>	USD	584,164	8,404	USD

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

**Figures in ₹**

Particulars	As At 31 <sup>st</sup> March, 2017		As At 31 <sup>st</sup> March, 2016	
<b>34.1</b> Claims Against the Company not acknowledged as Debt		<b>9,115,454</b>		9,201,854
<b>34.2 Guarantees</b>				
i. Financial Bank Guarantees outstanding		<b>38,228,204</b>		35,530,200
ii. Guarantee of ₹Nil (Previous Year ₹10,000,000/-) given to a Bank for credit facilities sanctioned to Paramount Wires & Cables Ltd				
- Credit Facilities availed by Paramount Wires & Cables Ltd.		-		-
<b>34.3 Duties &amp; Taxes</b>				
i. Income Tax				
- Demands under appeal		-		44,298,650
ii. Excise demands under appeal		<b>217,499,086</b>		222,102,658
iii. Service tax demands under appeal		<b>31,577,466</b>		31,587,069
iv. Custom duty demand due to denial of concessional custom duty, under appeal		<b>5,911,047</b>		6,434,896
<b>34.4 Other money for which company is contingently liable</b>				
i. Unutilised Letter of Credits		-		6,839,600
ii. Outstanding Bill discounted		<b>75,191,924</b>		179,941,540
iii. Right of recompense of CDR lenders for reliefs/sacrifices/waivers extended by respective CDR lenders to the company.		Amount unascertainable		Amount unascertainable
iv. Letter of demand from a bank due to guarantee given for borrowings of "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom (Subsidiary). In opinion of the company the amount of demand is yet to be finalised and agreed by the company. (This is co guaranteed by the Chairman & CEO and Managing Director of the Company in their individual capacity due to which company expects no final liability will arise on the company).	(₹) £	<b>25,725,108</b> <b>312,805</b>		33,280,722 345,846
<b>34.5 Commitments</b>				
i. Estimated amount of contracts (net of advances) remaining to be executed on Capital Account.		-		-

35. Outstanding 1% Foreign Currency Convertible Bonds (FCCBs) amounting to USD 7.5 million were due for redemption on 23<sup>rd</sup> November, 2011 and are yet to be redeemed. The Company was to redeem these FCCBs at a Premium equal to 145.54% of the outstanding principal amount. The said premium amounts to ₹248,192,727/- (Gross of tax). A winding up petition was filed against the Company on behalf of the FCCB holders which has been dismissed by the court in earlier years.

36. **Going Concern :**

The company has recorded a net loss of ₹3,992,533/- for the year end and has accumulated losses of ₹4,361,384,957/- as at 31<sup>st</sup> March, 2017, resulting in negative net worth. The company has also defaulted in payments of interest and redemption amount of Foreign Currency Convertible Bonds (FCCBs) and interest and term loans installments to banks and other working capital facilities from banks. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:

- The company has not defaulted in payment of statutory dues or its trade creditors etc.
- The company has entered in Settlement agreement with ARC for dues of two banks assigned to ARC. Further Company is negotiating with ARC for settlement of dues for another bank.
- Subsequent to year end company has entered in to Settlement agreement with one bank.
- The terms of settlements with ARC and Banks will reduce substantially company's negative net worth. Also Company has reasonable assurance of meeting terms and conditions of settlement with ARC/Bank. This reasonable assurance is based upon future cash flows of the Company and undertaking from the promoters of infusing necessary funds for meeting the obligations of settlement.
- The Company and promoters have undertaken to raise and had raised adequate finances by way of disposal of assets and induction of fresh funds by promoters and/or promoter group companies.
- The company has strong order book position.

37. Disclosures as to holdings as well as dealing in Specified Bank Notes (SBN) during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016

Figures in ₹

Particulars	SBNs	Other Denomination Notes	Total
Closing balance as at 8 <sup>th</sup> November, 2016	16,239,000	1,485,291	17,724,291
(+) Permitted Receipts	-	2,054,513	2,054,513
(-) Permitted Payments	-	2,220,316	2,220,316
(-) Amount Deposited in banks	16,239,000	-	16,239,000
Closing cash in hand as on 30 <sup>th</sup> December, 2016	-	1,319,488	1,319,488

Explanation: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs numbers S.O. 3407 (E), dated 08<sup>th</sup> November, 2016'.

38. "06196375 Cables Limited" (formerly AEI Cables Limited), United Kingdom is "in Administration" (as per UK laws) w.e.f. 28<sup>th</sup> February, 2014. Hence consolidated financial statements do not include financial position, financial performance and cash flows of this company. In opinion of Management, it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. Administrator has sold of business of this subsidiary and settled / disposed off major part of Assets and Liabilities before 31<sup>st</sup> March, 2014. Now this company is under creditors' voluntary liquidation.

**39. Additional Information in pursuant to Schedule III of the Companies Act, 2013**

S. No.	Name of the Entity	Ownership Interest	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
			As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount(₹)
<b>1</b>	<b>2</b>		<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
1	<b>Parent</b>		100.00%	(3,360,859,142)	78.47%	(3,132,832)
2	<b>Subsidiaries</b>					
A	Foreign					
a)	Paramount Holdings Limited, Cyprus	100.00%	0.00%	-	0.00%	-
b)	AEI Power Cables Limited, United Kingdom	100.00%	0.00%	-	21.53%	(859,701)
	<b>TOTAL</b>		100.00%	(3,360,859,142)	100.00%	(3,992,533)

**40. Figures for the previous year have been regrouped & rearranged, wherever necessary.**

As per our separate report of even date attached

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

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

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

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

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

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

**Place of signing : New Delhi**  
**Date: 29<sup>th</sup> May, 2017**

**Place : New Delhi**  
**Date : 29<sup>th</sup> May, 2017**





**FORM NO. MGT-11**

**PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**PARAMOUNT COMMUNICATIONS LIMITED**

CIN: L74899DL1994PLC061295

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

Tel.: +91(11) 4561 8800/900 Fax: +91(11)25893719/720

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

<b>Name of the member (s):</b>	
<b>Registered address:</b>	
<b>E-mail Id:</b>	
<b>Folio No/ Client Id:</b>	
<b>DP ID:</b>	

I/We, being the member (s) of.....shares of the above named Company, hereby appoint

1. Name : .....  
Address : .....  
..... E-mail Id : .....  
Signature : ....., or failing him
2. Name : .....  
Address : .....  
..... E-mail Id : .....  
Signature : ....., or failing him
3. Name : .....  
Address : .....  
..... E-mail Id : .....  
Signature : .....

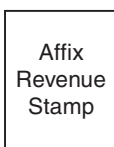
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held at **Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003** on Thursday, the **17<sup>th</sup> day of August, 2017** at **11.00 A.M.** and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>ORDINARY BUSINESS</b>	<b>FOR</b>	<b>AGAINST</b>
1. Adoption of Annual Accounts of the Company as on March 31, 2017.		
2. Re-appointment of Mr. Sanjay Aggarwal, retiring by rotation and being eligible, offering himself for re-appointment.		
3. Appointment of P. Bholusaria & Co. Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the 28 <sup>th</sup> Annual General Meeting, subject to ratification by members at every Annual General Meeting.		
<b>SPECIAL BUSINESSES</b>		
4. To redeem Non-convertible Redeemable Preference Shares of face value of ₹ 100/- each, and private placement of equity shares of the company thereof;		
5. Making contribution for bonafide and charitable purposes not exceeding ₹ 25 Lac in one Financial year;		
6. To approve the remuneration of the Cost Auditor for the financial year 2017-2018		

Date : ....., 2017.

.....  
Signature of shareholder

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



**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.



## Paramount Communications Ltd.

CIN: L74899DL1994PLC061295

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

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

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

### ATTENDANCE SLIP

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

L.F. No. ....

No. of Shares Held .....

DP. ID.*	
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Client ID.*	
-------------	--

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

I/We hereby record my/our presence at the 23<sup>rd</sup> Annual General Meeting of the Company being held on Thursday, the 17<sup>th</sup> day of August, 2017 at 11:00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi - 110 003.

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

1. ....

2. ....

\* Applicable for investors holding shares in electronic form

\*\* Strike out whichever is not applicable

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



**Paramount Communications Ltd.**

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