

Directors' Report

To,
 The Members of
Paramount Communications Limited

Your directors are pleased to present the Twenty Fifth Annual Report on the Business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

A Summary of the Company's Financial Results for the financial year 2018-19 is as under:

| Particulars | (₹ in Lakhs) | |
|--|---|---|
| | Year ended 31 st March 2019 | Year ended 31 st March 2018 |
| Total Revenue including Other Income | 61,777 | 44,643 |
| Less: Excise Duty | - | 918 |
| Net Revenue including Other Income | 61,777 | 43,725 |
| Profit/ (Loss) before Interest, Depreciation, Tax and Exceptional items | 4,550 | 107 |
| Interest | 770 | 415 |
| Depreciation & Amortization of FCMITDA | 864 | 923 |
| Profit/(Loss) before Tax and Exceptional Items | 2,916 | (1,231) |
| Exceptional Items | - | 2,700 |
| Tax Expenses | - | - |
| Profit/(Loss) after Tax and Exceptional Items | 2,916 | 1,469 |
| Other Comprehensive Income | 1 | (5) |
| Total Net Profit/(Loss) for the year including other Comprehensive Income | 2,917 | 1,464 |

During the financial year ended 31st March 2019, your Company recorded total revenue of ₹ 61,777 Lakhs as compared to the total revenue of ₹ 44,643 Lakhs recorded during the previous financial year ended 31st March 2018. Net Revenue from operations for the year ended 31st March 2019 has increased by about 40% over the corresponding period last year. The total Net Profit including other comprehensive Income of the Company for the financial year ended 31st March 2019, ₹ 2,917 Lakhs as against ₹ 1,464 Lakhs during previous year 2017-2018. Details of the Exceptional Items have been mentioned in Notes to the Financial Statements in this Annual Report.

2. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

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

- 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. 28th February, 2014.

Note:

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

The Consolidated financials include un-audited financials of Paramount Holdings Limited, Cyprus and un-audited financials of AEI Power Cables Ltd., United Kingdom for the year ended 31st March, 2019.

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

3. TRANSFER TO RESERVES

During the period under review, your Company do not propose to transfer funds to the General Reserves.

4. DIVIDEND

Your directors do not recommend declaration of any dividend for the financial year 2018-2019.

5. FUTURE OUTLOOK

As a result of Government initiatives such as 'Power for all', Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Projects for expansion of Railway Network and Optical Fiber telecom connectivity across the country, liberalization in Housing Finance, etc. As per the finance Minister's Budget Speech, 2019, the government plans an investment of ₹ 100 Lakh Cr over the next 5 years into infrastructure. Over ₹ 50 Lakh Cr is projected to be spent on the Indian Railway network between 2018 to 2030. Digital India, BharatNet and introduction of 5G technology in the mobile spectrum shall create substantial demand for Optical Fiber Cables. Your Company enjoys a strong competitive edge, being among the top national players in Telecom, Railways and Power Sectors and shall be ideally positioned to take full advantage of this tremendous investment into the country's infrastructure.

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

We remain committed to drive increased sales and profitability through extending the reach of our offerings. Our Financial health is greatly strengthened, providing us ample scope to expand our capacities. Your Company's vision for the coming year is to be a key participant in every relevant initiative of the Government so as to improve growth and development prospects of the Company.

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

Earlier, the Company had taken various steps to revive and rehabilitate the Company by restructuring its borrowings, which reduced the interest liability substantially. Further, with a view to augment funds and to finance the working

capital requirements of the Company and to support its future growth plans, the Promoters/Promoter Group have infused funds amounting to ₹ 25.94 Cr for strengthening the financial position of the Company, by way of issue of 17,000,000 Equity Shares on preferential basis.

The Company has also issued and allotted 11881500 Equity shares of the Company at a price of ₹ 28.40 per equity share upon conversion of outstanding FCCBs having face value of US\$ 7.5 Million.

Due to carried forward losses, no provision for Income Tax has been made.

As a result of concerted and constant efforts of the management, the Company has now achieved a complete turnaround and its bottom- and top-line results are quite strong now.

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

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

8. BOARD OF DIRECTORS

a) Composition

- i) During the year under review, Mr. Vijay Maheshwari (holding DIN: 00216687) was appointed as an Additional Director (Non-executive, Independent Director) for a period of 5 (Five) years w.e.f. 1st April, 2019 to 31st March, 2024 subject to the approval of shareholders at the ensuing AGM.
- ii) As on date, Company has 5 Directors on Board with an Executive Chairman. Of the 5 Directors, 2 are Executive Directors and 3 are Non-Executive Directors, Independent Director including one Woman Director. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii) None of the Whole-time Key Managerial Personnel (KMP) of the Company is holding office in any other Company as a Key Managerial Personnel.
- iv) Further, none of the Directors / KMP of the Company is disqualified under any of the provisions of the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i) In accordance with the provisions of section 152 of the Companies Act, 2013, and the Company's Articles of Association, Mr. Sanjay Aggarwal (DIN 00001788), Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his reappointment for the consideration of the members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Sanjay Aggarwal has been given in the Notice convening the Annual General Meeting.
- ii) The Board of Directors in their meeting held on 29.03.2019, appointed Mr. Vijay Maheshwari as an Additional Director. Pursuant to section 161 (1) of the Companies Act, 2013, he will hold office as Director up to the date of ensuing Annual General Meeting.

Mr. Vijay Maheshwari has given a declaration to the Company under section 149(6) of the Companies Act, 2013 that he qualifies the criteria of independence. Accordingly, it is proposed to appoint him as an independent Director not liable to rotation for a term of five years upto 31st March, 2024.

- iii) Further the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 29.03.2019 have recommended and approved the reappointment of Shri Vijay Bhushan, whose first term as Independent Director of the Company has been expired on 31st March 2019, and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. 1st April, 2019 upto 31st March, 2024, subject to the approval of members by way of special resolution at this ensuing Annual General Meeting of the Company.

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

- iv) Shri SPS Dangi and Shri Satya Pal, Non-Executive Directors of the Company have attained the age of Seventy Five Years as on 31.03.2019 and in accordance with the Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, no person who has attained the age of Seventy five years shall continue the directorship as non-executive director of the Company, unless a special resolution is passed to that effect. Therefore, Shri SPS Dangi and Shri Satya Pal, Non-Executive Directors of the Company retired effective from 31st March 2019.

The Board of Directors places on record their appreciation for the enormous contribution made by Shri SPS Dangi and Shri Satya Pal. The Company and the Board benefitted immensely from their vast experience, knowledge and insights of the industry and operations of the Company.

The above proposals for appointment and re-appointment forms part of the notice of the 25th Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

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

c) Declaration by Independent Director

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

9. KEY MANAGERIAL PERSONNEL

Ms. Tannu Sharma, Company Secretary and Chief Compliance officer of the Company resigned from the services of the Company. The resignation was effective from the closing hours of 31st May 2019.

Consequent to Ms. Tannu Sharma's resignation, the Board appointed Ms. Rashi Goel as Company Secretary and Compliance officer of the Company. The appointment was effective from 1st June, 2019.

Mr. Sanjay Aggarwal, Chairman & CEO, Mr. Sandeep Aggarwal, Managing Director, Mr. Shambhu Kumar Agarwal, Chief Financial Officer and Ms. Rashi Goel, Company Secretary are the Key Managerial Personnel of your Company under the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

10. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year, 7 (Seven) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of these meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

11. CHANGE IN CAPITAL STRUCTURE

During the year, the FCCB Committee of the Company has issued and allotted 11,881,500 Equity Shares of Face value of ₹ 2/- each, consequent upon conversion of outstanding Foreign Currency Convertible Bonds (FCCBs) to the outstanding FCCB Holders.

The Board of Directors of the Company has issued and allotted 17,000,000 Equity shares of face value of ₹ 2/- each to Promoters and entities forming part of the promoter group. Accordingly, the paid-up share capital of the Company has increased from 142,902,465 Equity shares of face value of ₹ 2/- each to 171,783,965 Equity shares of face value of ₹ 2/- each.

12. BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole and Board Committees.

The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. The guidance note

issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

13. 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 31st March, 2019, 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 31st March, 2019 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.

14. NOMINATION AND REMUNERATION POLICY

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

15. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as Annexure 'A' which forms an integral part of this Report and is also available on the Company's website viz. www.paramountcables.com.

16. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Your Company periodically assesses the risk in the internal and external environment, along with the cost of treating risk 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.

17. PUBLIC DEPOSITS

During the financial year 2018-2019, 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.

18. LISTING OF SHARES

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

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there was no significant and material order passed by any Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and future operations of the Company.

20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In the opinion of the Board, your Company has in place an adequate system of internal control commensurate with its size and nature of business. This system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Board has appointed M/s Jagdish Chand & Co., Chartered Accountants as Internal Auditors of the Company for the financial year 2018-19 and its audit reports are submitted directly to the Audit Committee of Board which reviews and approves performance of internal audit function and ensures the necessary checks and balances that may need to be built into the control system.

21. INDUSTRIAL RELATIONS

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

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

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

22. RELATED PARTY TRANSACTIONS

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

During the year 2018-2019, 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.

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-B" to this report.

23. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances & to provide adequate safeguards against victimization of persons who may use such mechanism. The Whistle Blower Policy has been posted on the website of the Company at www.paramountcables.com.

24. AUDITORS

a) Statutory Auditors:

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

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

Statutory Auditor's Report

There is no qualification, reservation or adverse remark made by the Auditors in their Reports to the Financial Statements (both Standalone and Consolidated) for the financial year ended 31st March, 2019.

b) Cost Auditors

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

Auditor of the Company for the financial year 2019-2020 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, would be ₹ 50,000/- (Rupees Fifty Thousand only) and out of pocket expenses, plus taxes. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

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

c) Secretarial Auditor

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. Abhishek Mittal & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditor of the Company for the financial year 2018-2019 to undertake the Secretarial Audit of the Company.

Secretarial Audit Report

The Secretarial Audit report for financial year 2018-2019 forms an integral part of this Annual Report as "Annexure-C" to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

26. LOANS, GUARANTEE(S) OR INVESTMENT(S)

During the year, your Company has duly complied with the provisions of section 186 of the Companies Act, 2013 and no loan and guarantee was granted by the Company under Section 186 of the Companies Act, 2013. The particulars of the investments made by the Company are given in the notes to the financial statements.

27. ENVIRONMENT, HEALTH AND SAFETY

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

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

28. 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-D", which is attached hereto and forms a part of the Directors' Report.

29. 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.

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

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

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

31. CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

33. MEASURES TAKEN FOR REVIVAL AND REHABILITATION OF THE COMPANY

As stated above in this Report, the Company has taken various steps to revive and rehabilitate the Company by restructuring its borrowings, which reduced the interest liability substantially. Further, with a view to augment funds and to finance the working capital requirements of the Company and to support its future growth plans, the Promoters/Promoter Group have infused funds amounting to ₹ 25.94 Cr for strengthening the financial position of the Company, by way of issue of 17000000 Equity Shares on preferential basis.

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

As a result of concerted and constant efforts of the promoters, the Company is turning around gradually and its bottom line results are improving substantially.

34. ISO CERTIFICATION

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

35. 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.

36. 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.

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 workplace, in business practice and in dealing with shareholders.

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

37. INSURANCE

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

38. 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.

39. ACKNOWLEDGEMENT AND APPRECIATION

Your Directors are thankful to the Central and State Government Departments, Organizations 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
Paramount Communications Limited
(Sanjay Aggarwal)
 Chairman & CEO

Place: New Delhi
 Date: 14th August 2019