

# Corporate Governance Report

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 is presented below:

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

The Company believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its shareholders. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all its stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

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

## 2. BOARD OF DIRECTORS

### ➤ Composition of the Board

- (i) The Company has 5 Directors with an Executive Chairman. Of the 5 Directors, 2 are Executive Directors and 3 are Non-Executive-Independent Directors,

including one Woman Director. The Composition of the Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (ii) None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the listed Companies in which he is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on 31<sup>st</sup> March, 2019 have been made by all the Directors.
- (iii) The names and categories of the Directors on the Board, and the number of Directorships and Committee Chairmanships / Memberships held by them in other Public Limited Companies are given below. Other Directorships do not include Directorships of Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. Chairmanship / Membership of Board Committees include only Audit Committee and Stakeholders'/Investor Grievance Committee.
- (iv) None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies. In terms of the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume and the profile of director seeking appointment/reappointment is annexed with the Notice for the ensuing Annual General Meeting.

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

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

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

➤ **Details of Directors as on 31<sup>st</sup> March, 2019, their attendance at the Board Meetings and Annual General Meeting during the Financial Year ended 31<sup>st</sup> March, 2019 and number of other Board of Directors or Committees in which Director is a Member or Chairperson are given below:**

**EXECUTIVE PROMOTER DIRECTORS**

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

None of the other Directors are related to any other Director on the Board

**NON-EXECUTIVE INDEPENDENT DIRECTORS**

Name of the Director	Date of appointment	Relationship with other Directors	Director Identification Number (DIN)
Mr. S.P.S. Dangi	08/11/1994	None	00236827
Mr. Satya Pal	08/11/1994	None	00287845
Mr. Vijay Bhushan	22/07/2000	None	00002421
Mrs. Malini Gupta	30/01/2015	None	03464410
Mr. Vijay Maheshwari	01/04/2019	None	00216687

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

**Notes:**

1. Sh. SPS Dangi and Sh. Satya Pal, Non Executive Directors, retired from the Board of the Company with effect from 31.03.2019.
2. The Board of Directors at its meeting held on 29<sup>th</sup> March, 2019 had appointed Mr. Vijay Maheshwari as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.

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

During the financial year 2018-19 agenda of the Board / Committee meeting(s) with proper explanatory notes to agenda was prepared and circulated well in advance to all the Board / Committee members. The Board also reviewed periodical compliances of all applicable Acts, Law(s) / Rule(s) and Regulation(s) during the financial year 2018-19.

During the year ended 31<sup>st</sup> March, 2019, 7 (Seven) 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.	28 <sup>th</sup> April, 2018	6	6	4
2.	9 <sup>th</sup> May, 2018	6	5	4
3.	10 <sup>th</sup> July, 2018	6	5	3
4.	4 <sup>th</sup> August, 2018	6	6	4
5.	1 <sup>st</sup> November, 2018	6	6	4
6.	1 <sup>st</sup> February, 2019	6	6	4
7.	29 <sup>th</sup> March, 2019	6	6	4

Attendance record of the Directors at the above Board Meetings and at the last Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2018, along with the number of other Directorships/Committee positions held by them in other Indian Public Limited companies during the year, are as follows:

Name of the Director	Board meetings attended during FY2018-19	Attendance at the last AGM	No. of Director-ships held in other companies*	Committee position held in other companies**		List of Directorship held in other listed Companies and category of Directorship
				Chairperson	Member	
Mr. Sanjay Aggarwal	7	Yes	0	0	0	-
Mr. Sandeep Aggarwal	7	Yes	0	0	0	-
Mr. S.P.S. Dangi	6	Yes	0	0	0	-
Mr. Satya Pal	7	No	0	0	0	-
Mr. Vijay Bhushan	7	No	4	1	1	KEI Industries Limited (Non-Executive, Independent Director) Bharat Bhushan Finance & Commodity Brokers Limited (Non-Executive, Non Independent Director)
Mrs. Malini Gupta	7	No	0	0	0	-
Mr. Vijay Maheshwari	NA	NA	1	0	0	Sumedha Fiscal Services Limited (Non-Executive Director)

\*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.

#### ➤ Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 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 Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

#### ➤ Details of remuneration paid to Executive Directors (Key Managerial Personnel) during the year 2018-2019:

Aggregate value of salary, perquisites and commission paid during the financial year 2018-19 to the executive directors (Key Managerial Personnel) are as follows:

Name	Salary, perquisites and Defined Benefit Plan	Company's Contribution to P.F.	Sitting Fees	(Amount in ₹)	
				Total	
Mr. Sanjay Aggarwal	5,263,739	576,000	Nil	5,839,739	
Mr. Sandeep Aggarwal	5,187,719	576,000	Nil	5,763,719	

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

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

The details of sitting fee paid to the directors for attending the Board and Committee meetings for the year ended 31<sup>st</sup> March, 2019 are as follows:

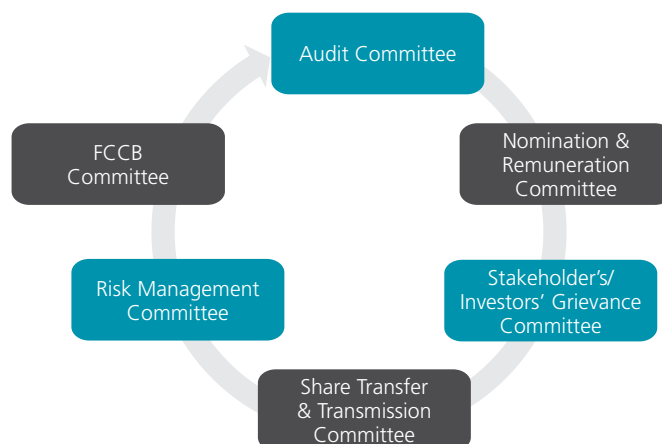
		(Amount in ₹)
Name of the Director	Sitting Fee paid	
1. Mr. S.P.S Dangi		3,00,000
2. Mr. Satya Pal		3,25,000
3. Mr. Vijay Bhushan		3,75,000
4. Mrs. Malini Gupta		200,000

The Board of Directors in their meeting held on 04.05.2019, revised the amount of sitting fees paid to Non-Executive Directors from ₹ 25,000/- to ₹ 60,000/- for all Board and Committee meetings attended.

- **Number of shares held by Non- Executive Directors**  
None of the Non-Executive Directors holds any share of the Company in their individual capacity.
- **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, 2019. 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.
- **Web Link where details of Familiarization Programmes imparted to Independent Directors is disclosed**  
The details regarding Familiarization Programmes imparted to Independent Directors of the Company are given on the website of the Company at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

### 3. BOARD COMMITTEES

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



The role and composition of the above committees, including the number of meetings held during the financial year ended on 31<sup>st</sup> March, 2019, 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 21<sup>st</sup> September, 2018. 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	04
Mr. Vijay Bhushan	Non-executive Independent Director	04
Mr. Vijay Maheshwari	Non-executive Independent Director	NA
Ms. Malini Gupta	Non-executive Independent Director	NA

### Meetings of Audit Committee held during the financial year 2018-19

During the financial year ended on 31<sup>st</sup> March, 2019, 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			
		9 <sup>th</sup> May, 2018	4 <sup>th</sup> August, 2018	1 <sup>st</sup> November, 2018	1 <sup>st</sup> February, 2019
Mr. S. P. S. Dangi	Chairman	√	√	√	√
Mr. Satya Pal	Member	√	√	√	√
Mr. Vijay Bhushan	Member	√	√	√	√
Mr. Vijay Maheshwari	Member	NA	NA	NA	NA
Ms. Malini Gupta	Member	NA	NA	NA	NA

#### **Notes:**

- Due to change in Composition of Board of Directors, the Board has reconstituted the Audit Committee with effect from 01.04.2019.
- Mr. S.P.S. Dangi and Mr. Satya Pal retired from the Board of the Company with effect from 31.03.2019.
- The Board of Directors at its meeting held on 29<sup>th</sup> March, 2019 had appointed Mr. Vijay Maheshwari as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.
- Ms. Malini Gupta had been elected as member of the Committee with effect from 01.04.2019.
- Ms. Tannu Sharma has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.
- In addition to the above, the Committee meetings were also attended by the Statutory Auditors and other Executive(s) of the Company as and when required.
- Proper quorum was present at the afore mentioned meetings of the Audit Committee.

#### **Powers of Audit Committee**

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

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- 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:

- Management Discussion and Analysis of the Company's financial condition and results of operations.
- Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal Audit Reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the internal auditors.

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

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments (if any);
- Valuation of undertakings or assets of the company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- 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. During the year under review the Board has designated Ms. Tannu Sharma, Company Secretary as the Secretary of the Committee.

**Meetings**

During the financial year ended on 31<sup>st</sup> March, 2019, one meeting of the Stakeholders' Relationship/Investors' Grievance Committee was held. The composition of Stakeholders' Relationship/Investors' Grievance Committee and attendance of Directors at the above meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meeting 9 <sup>th</sup> May, 2018
Mr. Vijay Bhushan	Chairman	√
Mr. Sanjay Aggarwal	Member	√
Mr. Sandeep Aggarwal	Member	√
Ms. Malini Gupta	Member	NA

No investor complaints were received during the year under review. The requests for change of address and transmission of shares were received during the year, and both were replied to the satisfaction of the shareholders. There were no outstanding complaints/requests as on 31.03.2019.

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

**Notes:**

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

**(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. During the year under review 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 29 <sup>th</sup> March, 2019
Mr. Satya Pal	Chairman	√
Mr. SPS Dangi	Member	√
Mr. Vijay Bhushan	Member	√

**Note:**

- 1) Due to change in Composition of Board of Directors, the Board has reconstituted the Nomination and Remuneration Committee with effect from 01.04.2019.
- 2) Mr. S.P.S. Dangi and Mr. Satya Pal retired from the Board of the Company with effect from 31.03.2019.
- 3) The Board of Directors at its meeting held on 29<sup>th</sup> March, 2019 had appointed Mr. Vijay Maheshwari as an Additional Director (Non-Executive, Independent Director) of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 subject to the shareholder's approval at the ensuing Annual General Meeting of the Company.



- 4) Ms. Malini Gupta had been elected as member of the Committee with effect from 01.04.2019.
- 5) Ms. Tannu Sharma has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.
- 6) Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.

**The Terms of reference are as follows:**

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

**Further, the Nomination and Remuneration Committee also ensures that—**

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

**Performance Evaluation criteria for Independent Directors:**

The performance evaluation of all the Directors for the financial year 2018-19, was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board.

The performance evaluation of Independent Directors was done by the entire Board of Directors (excluding the director being evaluated).

**(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.

One meeting of the Share Transfer and Transmission 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
		29 <sup>th</sup> March, 2019
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, 2019.

**(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 members at the meeting is as follows:

Name of the Director	Position in the Committee	Presence of directors at the meetings
		29 <sup>th</sup> March, 2019
Mr. Sanjay Aggarwal	Chairman	√
Mr. Sandeep Aggarwal	Member	√

- 1) Ms. Tannu has resigned from the position of Chief Compliance officer and Company Secretary of the Company with effect from 31.05.2019.

- 2) Ms. Rashi Goel has been appointed as Compliance officer and Company Secretary of the Company with effect from 01.06.2019 and shall act as Secretary to the Committee.

**(f) FCCB COMMITTEE**

The FCCB Committee was constituted by the Board of Directors in the Board Meeting held on 30<sup>th</sup> December, 2018, to analyze/monitor the status of US\$7.5 Million

FCCBs and to take necessary steps in order to settle the Outstanding FCCB holders and take all necessary action as may be ancillary or incidental thereto. The committee consists of Mr. Sanjay Aggarwal, Mr. Sandeep Aggarwal and Mr. Vijay Bhushan. Ms. Tannu Sharma acts as the Secretary to the Committee.

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

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

The Committee has been dissolved with effect from 29.03.2019

#### g) MEETING OF INDEPENDENT DIRECTORS

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

Name of the Director	Presence of directors at the meeting
	1 <sup>st</sup> February, 2019
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	21 <sup>st</sup> September, 2018 at 11.30. A.M	17 <sup>th</sup> August, 2017 at 11.00. A.M	27 <sup>th</sup> September, 2016 at 11.30. A.M
Financial year	2017-2018	2016-2017	2015-2016
Venue	Air Force Auditorium, NH 48, Subroto Park, New Delhi-110010	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110 003	Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Near ISBT, Delhi.
Special Resolution(s) Passed	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakhs in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2018-2019.	Redemption of 765,000 Non-convertible Redeemable Preference Shares of face value ₹100/- ("NCRPS") at a price of ₹121.25 per NCRPS (including a premium of ₹21.25/- per NCRPS) out of the fresh issue of 17,669,000 Equity Shares of the Company of face value ₹2/- each at a price of ₹ 5.25/- by way of preferential allotment to the holders of NCRPS  Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakhs in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2017-2018.	Making contribution for bonafide and charitable purposes not exceeding ₹25 Lakhs in one Financial year; To approve related party transaction not exceeding ₹ 200 Cr in one Financial year; To approve the remuneration of the Cost Auditor for the financial year 2016-2017.



## 5. POSTAL BALLOT

During the financial year ended 31<sup>st</sup> March, 2019, following resolutions were passed by way of postal ballot for seeking approval of members:

### Postal Ballot in April 2018

Sr No.	Description of Resolution	Date of Declaration of Result
1.	Special Resolution for Re-appointment of Sh. Sanjay Aggarwal as Whole Time Director, to be designated as Chairman & CEO of the Company	20.04.2018
2.	Special Resolution for Re-appointment of Sh. Sandeep Aggarwal as Managing Director of the Company	
3.	Special Resolution for Amendment to the terms and conditions of the outstanding Foreign Currency Convertible Bonds (FCCBs) of face value aggregating US\$7.50 Million	

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

### Voting Pattern and Procedure for Postal Ballot:

- i) The Board of Directors of the Company vide resolution passed by the Board of Directors at their meeting held on 8<sup>th</sup> March, 2018, had appointed Mr. Abhishek Mittal, Proprietor of M/s Abhishek Mittal & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 8<sup>th</sup> March, 2018 together with the Explanatory Statement on 19<sup>th</sup> March, 2018, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 9<sup>th</sup> March, 2018.
- iii) The voting under the postal ballot was kept open from 20<sup>th</sup> March, 2018 (from 9.00 a.m.) to 18<sup>th</sup> April, 2018 (upto 5.00 p.m.) (either physically or through electronic mode)
- iv) Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- v) The postal ballot forms were kept under safe custody of the scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the closure of working hours on 18<sup>th</sup> April, 2018 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) Envelopes containing postal ballot forms received after closure of working hours on 18<sup>th</sup> April, 2018 had not been considered for his scrutiny.
- viii) On 20<sup>th</sup> April, 2018, Mr. Sanjay Aggarwal, Chairman & CEO announced the following results of the postal ballot as per the Scrutinizer's Report:

### Details of Agenda

1. Re-appointment of Sh. Sanjay Aggarwal as Whole Time Director, to be designated as Chairman & CEO of the Company:

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	36,06,705	36,04,710	99.94	1995	00.06

2. Re-appointment of Sh. Sandeep Aggarwal as Managing Director of the Company:

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	36,06,605	36,04,716	99.94	1889	00.06

3. Amendment to the terms and conditions of the outstanding Foreign Currency Convertible Bonds ( FCCBs) of face value aggregating US\$ 7.50 Million

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	8,39,53,562	8,39,51,678	99.99	1884	00.01

#### Postal Ballot in June 2018

Sr No.	Description of Resolution	Date of Declaration of Result
1.	Issue of Equity shares to Promoters and Promoter Group Entities on Preferential basis	05.06.2018

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

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

- i) The Board of Directors of the Company vide resolution passed by the Board of Directors at their meeting held on 28<sup>th</sup> April, 2018, had appointed Mr. Abhishek Mittal, Proprietor of M/s Abhishek Mittal & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the postal ballot voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 28<sup>th</sup> April, 2018 together with the Explanatory Statement on 4<sup>th</sup> May, 2018, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 9<sup>th</sup> March, 2018.
- iii) The voting under the postal ballot was kept open from 5<sup>th</sup> May, 2018 (from 9.00 a.m.) to 3<sup>rd</sup> June, 2018 (upto 5.00 p.m.) (either physically or through electronic mode)
- iv) Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- v) The postal ballot forms were kept under safe custody of the scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the closure of working hours on 3<sup>rd</sup> June 2018 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) Envelopes containing postal ballot forms received after closure of working hours on 3<sup>rd</sup> June 2018 had not been considered for his scrutiny.
- viii) On 5<sup>th</sup> June, 2018, Mr. Sanjay Aggarwal, Chairman & CEO announced the following results of the postal ballot as per the Scrutinizer's Report:

#### Details of Agenda

1. Issue of Equity shares to Promoter and Promoter Group entities on Preferential Basis

Particulars	Total No of Valid Votes	Votes Assenting the Resolution	% of votes cast	Votes Dissenting the Resolution	% of votes cast
Votes cast through physical Postal Ballots and Electronic Mode	3,718,759	36,62,021	98.47	56,738	01.53

## 6. DISCLOSURES

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

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

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

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

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

**iii. Details of Establishment of Vigil Mechanism/Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.**

The Company has established a Vigil Mechanism / Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 and rules made thereunder as amended from time to time and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Directors and Employees to report the genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

During the year under review, no Director or Employee has been denied access to the Audit Committee.

The Vigil Mechanism / Whistle Blower Policy has been uploaded on the website of the Company and is available at [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

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

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

**v. Familiarization Programs**

In order to comply with the provisions of the SEBI regulations, and for the purpose of making the Board familiar with the latest developments in the Corporate laws, or other applicable laws, deliberations were held and presentations were made from time to time on major developments in the areas of

the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

**vi. Related Party Transactions**

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

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

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

**viii. 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.

**ix. Total Fees Paid to Statutory Auditors**

The Company has paid a Total fees of ₹ 18,00,000/- to Statutory Auditors i.e. P. Bholusaria & Co., in the year FY 2018-19

**Note:**

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

**ix. 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**.

**x. Reconciliation of Share Capital Audit Report**

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.

**xi. Insider Trading Code**

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. [www.paramountcables.com](http://www.paramountcables.com) under Investor Relations Section.

**7. MEANS OF COMMUNICATION**

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

**Financial results**

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

**Company's Website**

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

**Annual Report**

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

**Management Discussion and Analysis**

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

**Designated e-mail-id**

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

**Scores**

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

**8. GENERAL SHAREHOLDER INFORMATION**

<b>CIN</b>	<b>L74899DL1994PLC061295</b>
<b>Registered Office</b>	<b>C-125, Naraina Industrial Area, Phase-1, New Delhi-110028.</b>
<b>Compliance officer</b>	<b>Ms. Rashi Goel, Compliance Officer and Company Secretary</b>
<b>Twenty Fifth Annual General Meeting</b>	
<ul style="list-style-type: none"> <li>Day, Date &amp; Time:</li> <li>Venue:</li> </ul>	Tuesday, the 24 <sup>th</sup> September, 2019 at 3.00 PM Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi
<b>Financial Year</b>	1 <sup>st</sup> April of each year to 31 <sup>st</sup> March of the next year
<b>Face Value per Equity share</b>	<b>₹ 2/-</b>

<b>Dividend Payment date</b>	<b>Not Applicable</b>
<b>Book Closure</b>	<b>Wednesday, the 18<sup>th</sup> September, 2019 to Tuesday, the 24<sup>th</sup> September, 2019 (both days inclusive).</b>
<b>ISIN Number</b>	• Demat ISIN Number in NSDL and CDSL for Equity Shares is INE074B01023

➤ **Financial Calendar (Tentative)**

Results for quarter ending 30 <sup>th</sup> June, 2019	Mid August, 2019
Results for quarter/ half-year ending 30 <sup>th</sup> September, 2019	Mid November, 2019
Results for quarter ending 31 <sup>st</sup> December, 2019	Mid February, 2019
Results for year ending 31 <sup>st</sup> March, 2020	End May, 2020
Annual General Meeting (i.e., next year)	By September, 2020

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

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

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

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

➤ **Payment of Listing fee**

The annual listing fee for the financial year 2019-20 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 2019-2020 has been duly paid by the Company to NSDL and CDSL.

➤ **Share Transfer System**

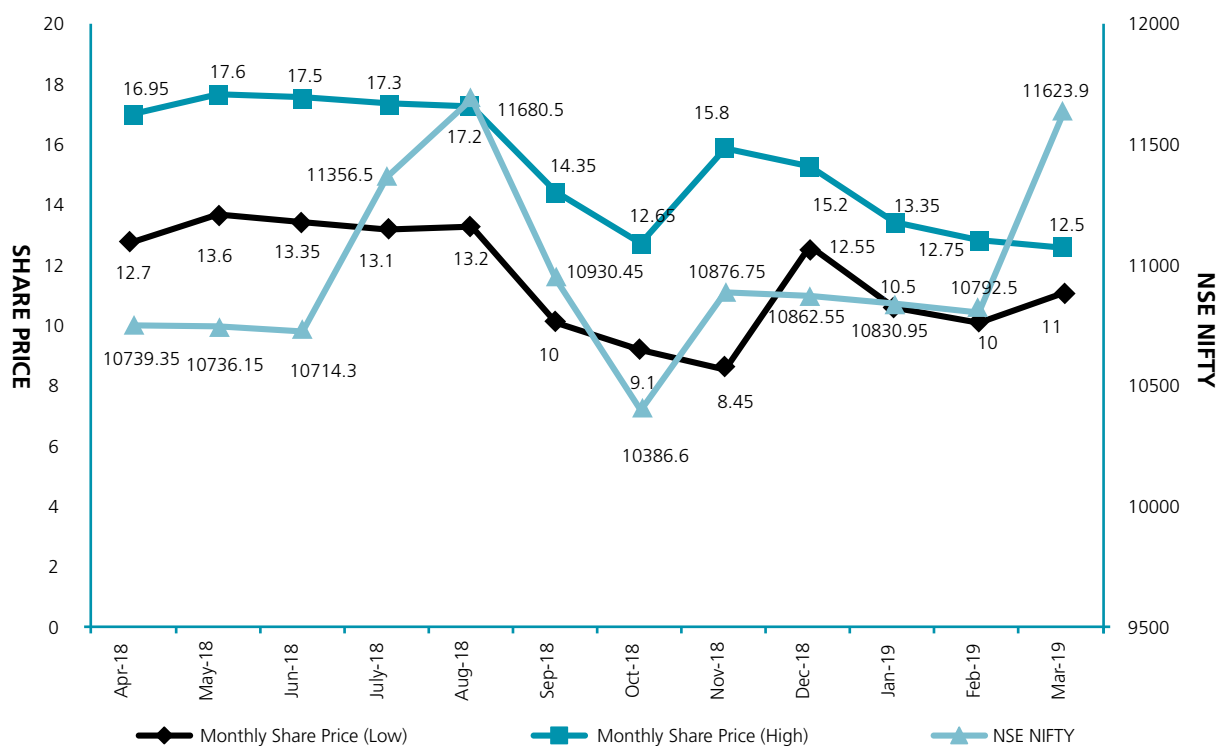
The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

➤ Stock Price Data:

a) NSE Scrip Code: PARACABLES (For the period: April, 2018 to March, 2019)

Month	High Price (H)	Low Price (L)	NSE NIFTY (closing prices)
April 2018	16.95	12.7	10739.35
May 2018	17.6	13.6	10736.15
June 2018	17.5	13.35	10714.3
July 2018	17.3	13.1	11356.5
August 2018	17.2	13.2	11680.5
September 2018	14.35	10.00	10930.45
October 2018	12.65	9.10	10386.6
November 2018	15.8	8.45	10876.75
December 2018	15.2	12.55	10862.55
January 2019	13.35	10.50	10830.95
February 2019	12.75	10.00	10792.5
March 2019	12.5	11.00	11623.9



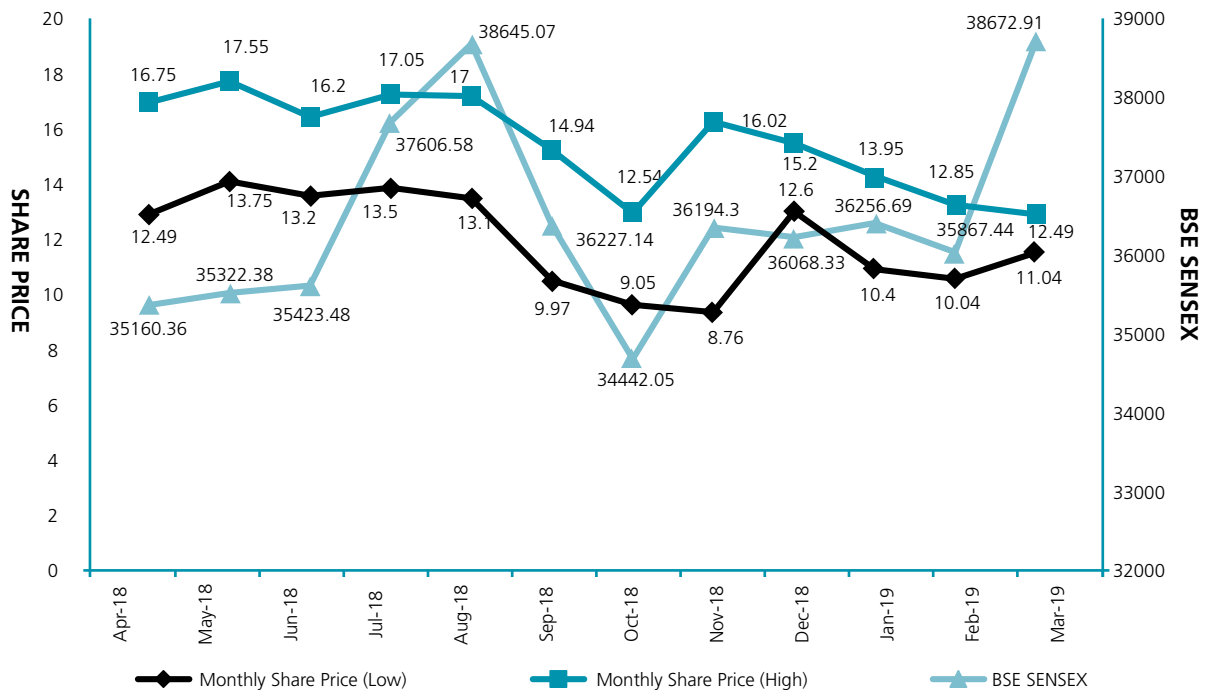


**BSE Scrip Code: 530555 (For the period: April, 2018 to March, 2019)**

Performance of equity shares in comparison with BSE SENSEX during the Financial Year 2018-2019

Value in ₹

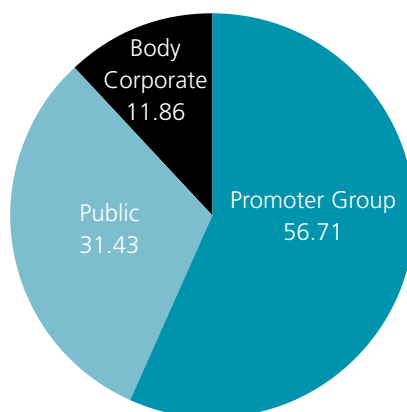
Month	High Price (H)	Low Price (L)	BSE (closing prices)
April 2018	16.75	12.49	35160.36
May 2018	17.55	13.75	35322.38
June 2018	16.20	13.20	35423.48
July 2018	17.05	13.50	37606.58
August 2018	17.00	13.10	38645.07
September 2018	14.94	9.97	36227.14
October 2018	12.54	9.05	34442.05
November 2018	16.02	8.76	36194.3
December 2018	15.20	12.60	36068.33
January 2019	13.95	10.40	36256.69
February 2019	12.85	10.04	35867.44
March 2019	12.49	11.04	38672.91



Distribution of Shareholding and shareholding Pattern as on 31.03.2019.

Shareholding of shares	No. of Shareholders		No. of Shares held	Amount	
	Number	% to total		In ₹	% to total
Upto 500	18496	66.92	3529023	7058046	2.05
501 - 1,000	4171	15.09	3476402	6952804	2.02
1,001 - 2,000	2157	7.80	3409957	6819914	1.99
2,001 - 3,000	808	2.92	2077012	4154024	1.21
3,001 - 4,000	361	1.31	1314752	2629504	0.77
4,001 - 5,000	400	1.45	1918048	3836096	1.12
5,001 - 10,000	542	1.96	4144841	8289682	2.4128
10,001 & Above	705	2.55	151913930	303827860	88.4331
<b>Total</b>	<b>27640</b>	<b>100.00</b>	<b>171783965</b>	<b>343567930</b>	<b>100.00</b>

Shareholding Pattern of the Company as at 31<sup>st</sup> March, 2019



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

The Company has issued and allotted 11881500 Equity shares of the Company upon mandatory conversion of outstanding FCCBs having face value of US\$ 7.5 Million.

The Promoters and other persons/entities forming part of the Promoter group have infused funds amounting to ₹ 25.94 Cr in the financial year 2018-2019, by way of issue of 17,000,000 equity shares on preferential basis.

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

The Management is further exploring possibilities of new investors in order to invest funds in the Company for modernization, expansion and strengthening the financial position of the Company. The Company has also taken several measures to reduce its cost. The excellent revenue growth of 40% for FY 2018-19 and the strong order book of the Company at the end of FY 2018-19 shows that a complete turn-around has been achieved in the financial position and the operations of the Company.

➤ **Dematerialization of Shares**

At the end of the year 2018-2019 around 99.33% 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, 2019)**

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**Address:**

SP-30A, SP-30B and E-31, Khushkhera Industrial Area, District Alwar, Rajasthan, India  
Plot No. 37 Industrial Estate, Dharuhera, District Rewari, Haryana, India

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➤ **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 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**

Noble Heights, 1<sup>st</sup> Floor, Plot No NH-2, LSC,  
C-1 Block, Near Savitri Market,  
New Delhi-110058  
Phone(s) +91-11-4141 0592, 93, 94