



Annual Report
and Accounts
1999-2000

Paramount Communications Limited
(An ISO 9001 Company)

यद्यदाचरति श्रेष्ठस्तत्तदेवेतरो जनः ।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥



Shri Shyam Sunder Ji Aggarwal
(Chairman & Founder)
6-10-1936 to 6-12-1999

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

—Bhagwad Gita, 3.21



Paramount Communications Limited

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of the Company will be held at Shah Auditorium, Shri Delhi Gujrati Samaj Marg, Near Inter State Bus Terminal, Delhi - 110 054 on Monday, the **30th October' 2000** at **11.30 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st March' 2000 together with Directors' Report and Auditors' Report thereon.
2. To confirm the payment of Interim Dividend of Rs. 1.60 per equity share as the final dividend for the financial year 1999 - 2000.
3. To appoint a Director in place of Shri. Sanjay Aggarwal, who retires by rotation and being eligible, offers himself for re - appointment.
4. To appoint a Director in place of Shri. Satya Pal, who retires by rotation and being eligible, offers himself for re - appointment.
5. To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-
"RESOLVED THAT M/S. JAGDISH CHAND & CO., Chartered Accountants, New Delhi be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **"Ordinary Resolution"**:
"RESOLVED THAT Shri. Vijay Bhushan, who was appointed as an **"Additional Director"** of the Company in terms of Section 260 of the Companies Act, 1956 w.e.f. 22.07.2000 and who holds the office upto the date of this VI th Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **"Special Resolution"**:
"RESOLVED THAT, the consent of the Company be and is hereby accorded to the Board of Directors, pursuant to section 81(1)(A) and other applicable provisions, if any, of the companies Act, 1956 and the relevant provision of the Memorandum and Articles of Association of the Company to issue, offer and allot Preference Shares of an amount not exceeding Rs. 2 Crores for cash at such price, terms & conditions as may be decided by the Board in its absolute discretion to any person, Institution Investors, Foreign Financial Institution, Mutual Funds, Banks, Finance & Investment Companies and other alike institution and Issue Houses, Incorporated Bodies and/or Individual who may or may not be the share holder of the Company not withstanding such offer and issue being first made to the existing equity share holders of the company."

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of business under item No. 6 & 7 is annexed hereto.
2. The record date for the purpose of VI th Annual General Meeting will be 28-10-2000.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend & vote instead of himself and that proxy need not be a member of the Company. The proxy, in order to be effective, must be lodged at the Registered office of the Company not less than **48 hours** before the commencement of the meeting.
4. Members / proxies should bring the enclosed attendance slip duly filled in and signed for attending the meeting.
5. Members holding physical Share Certificates are requested to get their holding dematerialised as the shares of the Company are in **Compulsory Demat mode** from **24th July' 2000** as per Circular dated 19th May' 2000 of Securities & Exchange Board of India.

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

Place: New Delhi
Date : 30.09.2000

(Ratan Aggarwal)
Company Secretary

4

For Paramount Communications Limited
(RATAN AGGARWAL)
Chief Manager - Finance
&
Company Secretary

Paramount Communications Limited**Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.**

As required by section 173 (2) of the Companies Act, 1956, the following explanatory statement set out material facts relating to the Special Business under item number 6 and 7 of the accompanying Notice dated 30.09.2000.

Item No. 6

Shri. Vijay Bhushan was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on **22.07.2000** to hold office upto the date of ensuing Annual General Meeting. A Notice under Sec. 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the candidature of Shri.Vijay Bhushan for the office of the Director of the Company. Shri Vijay Bhushan is a B.Com (Hons) & M.B.A. from Delhi University and actively associated with the Primary and Secondary share market since 1981. He is an eminent businessman with vast experience in the Share market & is also on the Board of the following Companies:

- 1). Bharat Bhushan Equity Traders Limited.
- 2). Bharat Nidhi Limited.
- 3). Bharat Bhushan Share & Stock Brokers Limited.
- 4). Bharat Bhushan Technology Pvt. Limited.
- 5). KEI Industries Limited.

Being experienced in capital market, the Board is of the opinion that induction of Shri.Vijay Bhushan on the Board shall be beneficial to the Company and shareholders at large.

The Board of Directors recommend the shareholders to adopt the proposed resolution as an Ordinary Resolution.

None of the Directors of the Company except Shri.Vijay Bhushan is concerned or interested in the said resolution.

Item No. 7

Keeping in view of the future expansion programme, to meet additional margin money requirement and long term working capital requirements for working capital, the company may raise Preference Share Capital not exceeding Rs. 2 Crores. The mode, terms and condition shall be decided by the Board of Directors in its absolute discretion.

The Board of Directors recommend the share holders to adopt the proposed resolution as Special Resolutions.

None of the Directors of the company is concerned or interested in the said resolution.

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

Place: New Delhi
Date : 30.09.2000

(**Ratan Aggarwal**)
Company Secretary

For Paramount Communications Limited
(**RATAN AGGARWAL**)
Chief Manager - Finance
&
Company Secretary

A MEMORIUM

Shri Shyam Sunder ji Aggarwal, our founder and Chairman of the Company who was popularly known as Bauji by one and all was born on 6th October 1936 in the family of a school teacher.

Bauji had a brilliant academic career. He did his B.Com (Hons) from Sri Ram College of Commerce, Delhi University and completed his M.A. (Eco.) and M.B.A.(with distinction) from the prestigious Delhi School of Economics. He also exhibited excellent leadership qualities right since his college days. He was elected the Hony. General Secretary of the Delhi University Student's Union (DUSU) for the year 1958-59.

Bauji was a first generation entrepreneur who started a Small Scale Unit for manufacturing House Wiring Cables in the year 1963 after hearing a call from Pt. Jawahar Lal Nehru that educated youngmen, instead of joining Government service should start their own SSI units to help industrialise the nation.

Bauji founded your Company in 1978 initially as a partnership concern under the name and style of **M/s. Paramount Cable Corporation** for the manufacture of telecom cables with an initial investment of Rs. 1.5 lakhs. The firm which had a turnover of Rs. 4.5 lakhs in its first year has now grow and transformed into your company- **Paramount Communications Ltd.**, one of the largest manufacturers of Telecom Cables in the country with a turnover of Rs. 130 crores.

Your company truly owes its very existence and the continuous track record of growth to the leadership, hard work, foresight, sagacity, humility and honesty of its founder Chairman **Sh. Shyam Sunder ji Aggarwal**.

Bauji contributed greatly to the industry and the society at large all throughout his illustrious career. He had been associated actively with almost all the apex industrial associations and chambers like **CII**, **FICCI**, **AIMO**, **PHDCCI** and **TEMA** for more than 25 years. He had represented the industry on numerous governmental advisory committees like the SSI Board of Govt.of India and Central Excise Advisory Committee.

He was elected unopposed as Vice President of **TEMA** for the year 1999-2000. He had served as member on the National Council of the Confederation of Indian Industry. (CII). He had been the Chairman of All India Manufacturers Organisation (AIMO)-DHP Board and National Vice President of the Federation of Small Scale Industry of India (FASSI).

He was the recipient of numerous awards during his illustrious career spanning a period of more than 35 years, some of which are:-

- ❖ “ National Entrepreneurship Award ”, Government of India from the Hon'ble President of India.
- ❖ “ A.I.M.O. Bharat Ratna Dr. (Sir) Visvesvaraya Award ” from Hon'ble Vice-President of India.
- ❖ “ National Productivity Award ” from Hon'ble Prime Minister of India.
- ❖ “ IMM Marketing Gold Award ” from Hon'ble Union Minister of Industries.
- ❖ “ State Level Entrepreneurship Award ” from Hon'ble Lt. Governor of Delhi.
- ❖ “ Outstanding Cable Manufacturers Award 1995 ” from Hon'ble Union Minister of State for Industry on 5th December ' 1995.

He was also greatly involved in social, cultural, educational and philanthropic activities. He was an active Rotarian for 35 years and was the Vice Chairman of Rotary Delhi Central Charitable Trust which runs the Rotary Viklang Kendra, an institution which provides artificial limbs to the handicapped from weaker section of the society free of cost. He was also on the Managing committee of various educational and social institutions and always contributed generously to all worthy causes.

All members of the Paramount family hereby pledge to continue to follow the path of honesty, sincerity and hard work- the legacy of our founder.

Paramount Communications Limited

Board of Directors	: Shri. Sanjay Aggarwal Shri. Sandeep Aggarwal Shri. Satya Pal Shri. S.P.S. Dangi Shri. Vijay Bhushan	Managing Director Jt. Managing Director
Registered office	: M - 4 , " Bahubali ", 59/17, New Rohtak Road, New Delhi - 110 005.	
Works	: Unit 1, (M/s. Paramount Cable Corporation) 45 / 14 , Prahaladpur, Bawana Road, Delhi - 110 042 : Unit 2, (Jelly Filled Telephone Cable Plant) Plot No. 37, Industrial Estate, Dharuhera, Haryana.	
Auditors	: M/s. Jagdish Chand & Co., Chartered Accountants, H-20, Green Park (Main), New Delhi-110 016.	
Bankers	: DENA BANK	
Share Transfer Agents	:	
- Physical Shares	: M/s. In - House Shares Registry (\ unit of A.O.K. In house Securities Pvt. Ltd.) 3, Community Centre, Naraina, Phase-I, Near Payal Cinema, New Delhi - 110 028. Phone No.: 579-2012(4 Lines) Fax No.: 579-2011.	
- Dematerialised Shares	: IIT Corporate Services Limited, P.P.H. House, Ist Floor, 5 E, Rani Jhansi Road, Jhandewalan Extn., New Delhi - 110055. Phone No. 3553701 - 04 Fax No. : 355-3700	
Chief Compliance Officer	: Shri Ratan Aggarwal	
Chief Manager (Finance) & Company Secretary	: Shri. Ratan Aggarwal	
Vice - President (Dharuhera Unit)	: Shri. D.S. Muchhal	
Vice President (Delhi Unit)	: Shri. N.K. Sabharwal	
Vice President (Marketing)	: Shri. Sanjeev Kumar	

Paramount Communications Limited



DIRECTORS' REPORT

Your Director present the **Sixth Annual Report** and Audited Accounts of the Company for the year ended **31st March' 2000**.

1. FINANCIAL RESULTS :

PARTICULARS	For the year ended 31.03.2000 (Rs. in lacs)	For the year ended 31.03.1999 (Rs. in lacs)
Sales and Other Income	12969.85	8061.26
Profit before Interest, Depreciation and Tax	1054.73	647.98
Interest (Net)	254.47	239.50
Depreciation	165.08	129.83
Profit before Tax	635.18	278.65
Provision for Taxation	205.00	12.00
Profit after Tax	430.18	266.65
Profit Available for Appropriations	652.54	369.30
Appropriations:		
Proposed dividend (Equity)	—	98.44
Interim Dividend (Equity)	105.01	—
Provision for taxation on dividend	11.55	10.83
General Reserve	50.00	30.00
Surplus carried to Balance Sheet	485.98	230.03

2. PERFORMANCE :

The total Turnover and Net Profit achieved by the Company for the year 1999-2000 are **Rs.12963.77 lacs** and **Rs. 430.18 lacs** as compared to **Rs.8054.59 lacs** and **Rs.266.65 lacs** for the previous year 1998-99 which shows a growth of 60.95% and 61.33% respectively. The Dharuhera Unit of your company has shown good performance both in terms of turnover and profit.

With the addition of a complete line of plant & machinery during the year at Dharuhera Unit, your Company was able to enhance its assessed capacity as certified by Telecom Engineering Centre, Department Of Telecommunications, to **35.62 Lacs conductor KM (LCKM)** per annum from the earlier assessed capacity of 24.43 LCKM per annum. The additional capacity should translate into higher production and result in better performance.

3. DIVIDEND :

The Directors have already declared **interim** dividend @ **Rs.1.60** per equity share absorbing Rs.105.01 lacs excluding taxation on dividend of Rs.11.55 lacs. No further (**final**) dividend has been recommended for the financial year ended 31st March ' 2000.

4. LISTING OF SHARES :

The Company's equity shares are listed at **Delhi, Mumbai, Calcutta, Ahmedabad** and **Jaipur** Stock Exchanges. Listing fees has been paid upto date.

5. COMPULSORY DEMATERIALISATION :

Securities and Exchange Board of India vide its Circular no. **SMDRP/POLICY/CIR-23/2000** dated **29th May' 2000** has notified that the Company's equity shares have been put into compulsory dematerialized trading with effect from **24th July' 2000**. The Company has appointed **M/s IIT Corporate Services Limited**, having its regional office at P.P.H. House, 1st Floor, 5E, Rani Jhansi Road, Jhandewalan Extension, New Delhi - 110 055, as Registrar & Share Transfer Agent for dematerialised shares.



Paramount Communications Limited

6. DIRECTORS :

Shri. Shyam Sunder Ji Aggarwal, Founder Chairman of your Company passed away on **December 06' 1999** creating a huge vacuum in the Paramount Family which can never be filled. The Board of Directors of your Company on their and on behalf of the Company place on record their deep sorrow on the sad and untimely demise of the guiding light of your Company.

Further, in accordance with the provisions of the Companies Act' 1956 and the Articles of Association of the Company, **Shri Sanjay Aggarwal** and **Shri Satya Pal** retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends their reappointment as Directors on the Board of the Company in this Annual General Meeting.

Shri Pawan Bholusaria, Director of the Company, resigned from the Board during the year. The Board has reluctantly accepted his resignation with regret. The Board acknowledges its gratitude for valuable services rendered by him as a Director of the Company during his tenure.

Shri Vijay Bhushan, an eminent businessman with vast experience in share market, is inducted on the Board of Directors of the Company in the Board Meeting held on **22nd July ' 2000** as "Additional Director ". He is appointed due to the vacancy created because of the resignation tendered by Shri.Pawan Bholusaria and shall be on the Board till the ensuing Annual General Meeting. The Board recommends his appointment as Director on the Board of the Company in this Annual General Meeting.

7. AUDITORS :

You are requested to appoint the Auditors for the current year and fix their remuneration. M/s Jagdish Chand and Co., Chartered Accountants, New Delhi, the retiring Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. They have given a certificate to the effect that their appointment, if made, will be within the prescribed limit specified in Section 224 (IB) of the Companies Act ' 1956.

8. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information as regards conservation of energy, technology absorption and outgo required under Section 217(1), (2) of the Companies Act, 1956 read with the Companies (Disclosure of Directors) Rules, 1988 is annexed hereto and forms an integral part of the report.

9. PARTICULARS OF EMPLOYEES :

A statement showing particulars of employees required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is annexed hereto and forms an integral part of the Report.

10. INSURANCE :

All the insurable interests of the Company including Inventories, Buildings, Plant & Machinery and liabilities under Legislative enactment are adequately insured.

11. SUBSIDIARY COMPANY :

During the year under review, **M/s. Paramount Wires & Cables Limited** became a subsidiary of the Company. Particulars relating to Subsidiary Company, as required under Section 212 of the Companies Act ' 1956, are annexed to the Balance Sheet of the Company.

12. EXPANSION & DIVERSIFICATION PLANS :

The Company has acquired Category " A " **National Internet Service Provider licence** during the year under review. The Company is taking steps to launch ISP services in the current financial year **2000 - 2001**.

The Board of Directors has also decided to set up an **Optical Fibre Cable Project**. The Company has already taken industrial land at Khuskhera, District Alwar, Rajasthan for the said purpose.



Paramount Communications Limited

13. FIXED DEPOSITS :

As on **31st March' 2000**, eight depositors have deposited **Rs. 14.50 lacs** with the Company as Fixed Deposits and from **1st April' 2000** till **31st July' 2000**, thirty-five depositors have deposited **Rs. 84.00 lacs** with the Company as Fixed Deposits. There are no overdue fixed deposits.

14. STATUS OF Y2K COMPLIANCE:

The Y2K transition was smooth without any disruption to the operations of any of the divisions of your Company

15. ACKNOWLEDGEMENTS:

Your Directors also take this opportunity to place on record their sincere appreciation for the services rendered by the employees of the Company, who are primarily responsible for its continued growth.

For and on behalf of the Board

Date : 22.07.2000
Place : New Delhi

(Sanjay Aggarwal) (Sandeep Aggarwal)
Managing Director Joint Managing Director

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