

**11<sup>th</sup>  
Annual Report  
2004-2005**

Report  Junction.com



**PARAMOUNT COMMUNICATIONS LIMITED**

**(An ISO 9001 and 14001 Company)**

यद्यदाचरति श्रेष्ठस्तत्तदेवतमे जन ।  
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ।



*Late Shri Shyam Sunder Ji Aggarwal*

*Founder – Paramount Communications Limited*

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

*- Bhagwat Gita - 2*

*Paramount Communications Limited*

<b>Board of Directors</b>	:	Shri Sanjay Aggarwal Shri Sandeep Aggarwal Shri Satya Pal Shri S.P.S. Dangi Shri Vijay Bhushan	Chairman & CEO Managing Director
<b>Registered office</b>	:	M - 4, " Bahubali ", 59 / 17, New Rohtak Road, New Delhi - 110 005.	
<b>Works</b>	:	<b>Unit 1:</b> SP 30A Khushkhera Industrial Area, Distt. Alwar, Rajasthan  <b>Unit 2:</b> Plot No. 37, Industrial Estate, Dharuhera, Haryana.	
<b>Auditors</b>	:	<b>M/s. Jagdish Chand &amp; Co.,</b> Chartered Accountants	
<b>Bankers</b>	:	STATE BANK OF INDIA DENA BANK	
<b>Share Transfer Agents</b>	:	<b>M/s. Intime Spectrum Registry Limited</b> A-31, 3rd Floor, Naraina, Phase-I, Near PVR Cinema, New Delhi - 110 028. Phone No - 51410592-594 (3 Lines) Fax No - 51410591	
<b>Chief Compliance Officer</b>	:	Shri Ratan Aggarwal	
<b>Vice President (Finance) &amp; Company Secretary</b>	:	Shri Ratan Aggarwal	
<b>Sr. Vice - President ( Dharuhera Unit )</b>	:	Shri D.S. Muchhal	
<b>Vice President ( Khushkhera Unit )</b>	:	Shri G.D. Singh	
<b>Vice President (Customer Support)</b>	:	Shri N.K.Sabharwal	
<b>Vice President (Marketing)</b>	:	Shri P.K. Agarwal	

# Paramount Communications Limited



## NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of the Company will be held at SHAH AUDITORIUM, SHRI DELHI GUJRATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054 on Wednesday, the August 31, 2005 at 11:30 A.M. to transact the following business:

### ORDINARY BUSINESS:

- 1 To consider and adopt the Balance Sheet as on March 31, 2005 and Profit and Loss account of the company for the year ended March 31, 2005 and the reports of the Board of Directors and Auditors thereon.
- 2 To appoint a Director in place of Shri Vijay Bhushan, who retires by rotation and being eligible, offers himself for re-appointment.
- 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 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:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as "Special Resolution"  
"RESOLVED THAT in accordance with the provisions of Memorandum and Article of Association of the company, the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), the listing agreements entered into by the company with the Stock Exchanges where the shares of the company are listed and subject to such other consents and approvals, if any, including those of Securities and Exchanges Board of India (SEBI), Financial Institutions and/or Reserve Bank of India and all other bodies and Institutions as may be relevant (hereinafter singly or collectively referred to as "the Appropriate Authorities") and such terms and conditions as may be prescribed while granting such consents and approvals (hereinafter singly or collectively referred to as "the requisite approvals") and which may be agreed to by the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any committee consisting of one or more members of the Board and/or one or more officials of the company appointed by the Board in this behalf to which all or any of the powers hereby conferred on the Board by this Resolution, have been delegated), the consent of the company be and is hereby accorded to the Board to offer, issue and allot upto 27,00,000 (twenty seven lakhs) Zero Coupon Warrants (hereinafter referred to as "Warrants") at a price of Rs.54/- each based on the relevant date i.e. 31st July, 2005 on preferential basis on such terms and conditions and in such

manner as the Board may think fit, without offering the same to any other person(s) who on the date of offer are holders of the equity shares, each Warrant entitling the holder thereof to apply and be allotted on fully paid-up equity share of Rs. 10/- each at any time not exceeding eighteen months from the date of allotment of the Warrants in accordance with the SEBI (Disclosure & Investor Protection) Guidelines, 2000 and other relevant authorities as may be applicable where the total number of equity shares to be issued upon conversion of the Warrants do not exceed 27,00,000 (twenty seven lakhs) equity shares of Rs. 10/- each on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue of Warrants to the following Bodies Corporate:

S.No.	Name of Allottees	No. of Warrants
1.	Mathran Shares and Securities Private Limited	6,75,000
2.	Mass Estate Private Limited	6,75,000
3.	Life Secured.com Private Limited	6,75,000
4.	SPP Finlease India Limited	6,75,000

RESOLVED FURTHER THAT the Warrants, as mentioned above, shall be issued subject to the following terms and conditions:

1. The Warrants shall be convertible within a period of 18 months from the date of allotment.
2. Each Warrant shall be convertible into one equity share of Rs. 10/- each of the company.
3. An amount equivalent to 10% of the price fixed per Warrant shall become payable on the date of allotment. This amount shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option. This amount shall be forfeited if the option to acquire shares is not exercised fully or in part thereof.

RESOLVED FURTHER THAT the new shares issued upon conversion of the Warrants as referred to hereinabove shall be subject to the Memorandum and Article of Association of the company and shall rank pari-passu in all respects with the existing equity shares of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions for offer, issue and allotment of Warrants and subsequently conversion thereof into equity shares, the Board be and is hereby authorized to agree and to accept the modifications in the said proposal as may be required by the Central Govt. and concerned Statutory Authorities and to take such actions, give such directions and to do all such acts, deeds, things as may be necessary, desirable or incidental thereto and matters connected therewith including, but without limitation, entering into such arrangements and agreements as may be necessary and sign all deeds, documents and to pay and remunerate all agencies in relation thereto with power to the Board to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection with the offer/issue, allotment and utilization of the proceeds, as it may, in its absolute discretion, deem fit and any such action, decision of the Board shall be binding on all the members.

By Order of the Board

Place : New Delhi.  
Dated : 30-07-2005

(Ratan Aggarwal)  
Company Secretary

# Paramount Communications Limited



## NOTES:

- 1 The member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. Proxy Form is attached herewith.
- 2 The Register of Members and Share Transfer Books of the company shall remain closed from Monday 29th August, 2005 to Wednesday 31st August, 2005 (both days inclusive).
- 3 Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- 4 Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
- 5 Members are requested to note that all correspondence relating to share transfer should be addressed to its Registrars and Transfer Agents, M/s Intime Spectrum Registry Ltd., A-31, 3rd Floor, Naraina, Phase-1, Near PVR Cinema, New Delhi-110 028.
- 6 Shareholders are requested to bring their copy of Annual Report at the meeting.
- 7 Pursuant to Section 205A of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, all unclaimed/ unpaid dividend up to the financial year ended 31st March, 1997 has been transferred to the Investor Education and Protection Fund set up by the Central Government and no claim can be admitted in respect of this fund. Members are therefore requested to encash their dividend warrants immediately for subsequent financial years. Members are requested to write to the company and/or share transfer agents if any dividend warrant is pending to be paid so that fresh warrants could be issued by the company.
- 8 At the ensuing Annual General Meeting, Shri Vijay Bhushan and Shri Sanjay Aggarwal, retire by rotation and being eligible offer themselves for reappointment. The information or details pertaining to these directors to be provided in terms of clause 49 of the listing agreement with the Stock Exchanges are annexed herewith.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 5

The company proposes to raise funds through allotment of 27,00,000 (twenty seven lakhs) Zero Coupon Convertible Warrants at a price of Rs. 54/- per Warrant as per SEBI (Disclosure & Investor Protection) Guidelines, 2000 and other relevant SEBI rules and regulations. Upon conversion of Warrants into equity shares, the equity share capital of your company shall increase by 27,00,000 equity shares of Rs. 10/- each and post issue equity share capital will be 1,35,68,060 equity shares of Rs. 10/- each.

The company proposes to raise funds through Warrants to meet enhanced requirement of margin money for working capital due to increase in current assets levels, improve liquidity for purchase of raw materials at most competitive prices and to meet immediate needs for balancing equipments. The company has already taken necessary steps to enhance its capacity in power cable segment.

Pursuant to the provisions of section 81(1A) of the Companies Act, 1956, consent of the members of the company, by way of a special resolution, is required for the special business enumerated in item No. 5.

#### Pricing of the Issue:

Pursuant to the provision of section 81(1A) of the Companies Act, 1956 and clause 13.1.1 of Guidelines for preferential issue under SEBI (Disclosure & Investor Protection) Guidelines, 2000, price has been calculated on the basis of relevant date i.e. 31.07.2005, which is the date 30 days prior to the date on which Annual General Meeting is to be held. Zero coupon convertible warrants shall be allotted at a price of Rs. 54/- per warrant.

Where warrant are issued on a preferential basis with an option to apply for and be allotted shares, the price of the resultant shares shall be Rs. 54/- per share of Rs. 10/- each on one to one basis.

#### Term of payment:

An amount equivalent to 10% of the price fixed above shall become payable for the warrants on the date of their allotment. This 10% amount shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option for the purpose. 10% amount shall be forfeited proportionately if the option to acquire shares in not exercised fully or part thereof. 90% balance amount shall become payable at the time of exercising option to acquire shares.

Disclosures which are required to be given in the explanatory statement to the notice in terms of clause 13.1A of the Guidelines for preferential issue under Chapter XIII of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 are given below:

#### a) Objects of the issue:

The object of the proposed issue of Zero Coupon Convertible Warrants on preferential basis have already been discussed above.

#### b) Intention of promoters/directors/key management persons to subscribe to the offer:

The offer is not meant for promoters, directors and their relatives. Upto 27,00,000 Zero Coupon Convertible Warrants shall be issued to the bodies corporate other than the promoters / directors of the Company. The allotment would not result in any change in the control or management of the affairs of the company or in the board of directors of the company. However there could be consequential change in the voting rights / shareholding pattern of the company.

#### c) The present allotment shall be subject to lock-in-period as per SEBI Guidelines.

#### d) The present allotment does not attract SEBI (Substantial Acquisition & Takeover) Regulations, 1997.

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e) Shareholding pattern before and after the offer:

Category	PRE-ISSUE		POST-ISSUE	
	No. of shares held	% of shares held	No. of shares held	% of shares held
<b>A. Promoter's Holding</b>				
Indian Promoters	6159803	56.68	6159803	45.40
Foreign Promoters	—	—	—	—
Person Acting in Concert	—	—	—	—
<b>Sub Total:</b>	<b>6159803</b>	<b>56.68</b>	<b>6159803</b>	<b>45.40</b>
<b>B. Non-Promoters Holding</b>				
Mutual Funds & UTI	—	—	—	—
Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non-Government Institutions)	188860	1.74	188860	1.39
FIs	—	—	—	—
<b>Sub Total:</b>	<b>188860</b>	<b>1.74</b>	<b>188860</b>	<b>1.39</b>
<b>C. Others:</b>				
Private Corporate Bodies	1446097	13.31	1446097	10.67
Mathran Shares and Securities Pvt. Ltd.	—	—	675000	4.97
Mass Estate Private Limited	—	—	675000	4.97
Life Secured.com Private Ltd.	—	—	675000	4.97
SPP Finlease India Limited	—	—	675000	4.97
Indian Public	2943431	27.08	2943431	21.70
NRIs/OCBs	129869	1.19	129869	0.96
Any Other (please specify)	—	—	—	—
<b>Sub Total:</b>	<b>4519397</b>	<b>41.58</b>	<b>7219397</b>	<b>53.21</b>
<b>Grand Total:</b>	<b>10668060</b>	<b>100.00</b>	<b>13568060</b>	<b>100.00</b>

f) Proposed time within which the allotment shall be complete:

The Board proposes to allot the Zero Coupon Warrants Optionally Convertible into equity shares within a period of 30 days from the date of this Annual General Meeting. As per SEBI Guidelines, the warrant holders have the option to subscribe for equity shares any time within 18 months from the date of allotment of the warrants.

g) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

The warrants are proposed to be allotted to the identified bodies corporate as mentioned in the proposed resolution. These bodies corporate are registered under the Companies Act, 1956. None of these allottees is acting in concert with each other and with promoters / directors of the company. Proposed preferential offer constitute 19.90% of the post preferential issue capital.

The members are therefore requested to accord their approval to the proposed resolutions set out in Item No. 5 by way of special resolution.

None of the Directors is interested in the said resolution.

By Order of the Board

Place : New Delhi.  
Dated : 30-07-2005

(Ratan Aggarwal)  
Company Secretary

## ANNEXURE TO NOTICE

Details of Directors seeking re-appointment in ensuing Annual General Meeting to be held on 31st August, 2005 pursuant to the requirement of clause 49 of the Listing Agreement.

Name of the Director	Shri Sanjay Aggarwal	Shri Vijay Bhushan
Date of Birth	21.10.1962	22.12.1958
Date of Appointment	01.11.1994	22.07.2000
Expertise in Specific Functional Area	Eminent Businessman with Vast knowledge in cable and telecom industry.	Eminent Businessman with Vast knowledge in stock market
List of Outside Directorship	1. Paramount Wires & Cables Ltd. 2. Paramount Telecables Ltd. 3. Paramount Gulf FZE. 4. Foresight Exim Ltd.	1. Bharat Bhushan Equity Traders Ltd. 2. Bharat Bhushan Share & Stock Brokers Ltd. 3. Bharat Bhushan Insurance Brokers Pvt Ltd. 4. Bharat Nidhi Ltd. 5. KEI Industries Ltd. 6. The Delhi Stock Exchange Assn. Ltd. 7. Bharat Bhushan Technologies Pvt. Ltd.
Chairman/Member of the Committee of Board of Directors of the Company.	1. Member -Shareholders/Investors Grievance Committee 2. Chairman- Share Transfer Committee	1. Chairman- Shareholder/Investors Grievance Committee. 2. Member - Audit Committee 3. Member- Remuneration Committee
Chairman/Member of the Committee of the Board of Directors of other Companies	1. Member-National Committee on Communication, CII 2. Member-Small & Medium Enterprises Committee, CII 3. Member-Economic & Taxation Committee, Northern Region, CII 4. Member-Economic & Taxation Panel, CII 5. Co-Chairman, SME Committee, PHOCCI 6. Chairman-Task Force on Telecom Equipment Manufacture, ASSOCHAM 7. Chairman-Budget & Exim Policy Committee, TEMA 8. Member-Audit Committee, PWCL	1. Member-Audit Committee Bharat Bhushan Share & Stock Brokers Ltd. 2. Chairman-Shareholders/Investors Grievance Committee KEI Industries Ltd. 3. Member-Remuneration Committee KEI Industries Ltd. 4. Member-Delisting Committee Delhi Stock Exchange Ltd.



# Paramount Communications Limited



## REPORT ON CORPORATE GOVERNANCE

In compliance with the clause 49 of the Listing Agreement with the Stock Exchanges the company hereby submits the report on the matters mentioned in the said clauses and practice followed by the company:

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance as understood by the company and its management means following up best & prudent business practices, adherence to utmost transparency, disclosures and fairness in the business operations and to ensure fair play. The best business practices convey that company should not only operate within the regulatory framework but it should operate with ethics also.

Corporate governance entails and ensures accountability of the persons in charge of the company on the one hand and develops benefits to the investors, customers, vendors and the society at large on the other hand.

Company feels that the code of corporate governance is an excellent tool to secure the corporate excellence in the country.

### 2. BOARD OF DIRECTORS

The Board of Directors of the company have 5 (five) Directors out of which 3 (three) are Independent and Non-Executive Director(s). The Independent & Non-Executive Director(s) do not have any material pecuniary relationship or transactions with the company, promoters, management which may affect their judgments in any manner. The Board meets at least once in a quarter to consider amongst other matters, the quarterly un-audited financial results of the company.

The Board consists of eminent persons with considerable professional expertise and experience in Cable Industry, Finance, Capital Market and the allied fields.

### COMPOSITION AND CATEGORY OF DIRECTORS AS AT 31.03.2005.

Category	Name of the Directors
Promoter/Executive Directors	Sh. Sanjay Aggarwal Sh. Sandeep Aggarwal
Promoter Non Executive Director	—
Non Promoter Executive Director	—
Non Executive and Independent Directors	Sh. S.P.S Dangi Sh. Satya Pal Sh. Vijay Bhushan

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other directorship and chairmanship/membership of committee of each director in various companies is given herein below:

Name of the Director	Attendance Particulars		No. of other directorships & Committee member/chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Chairmanship
Sh. Sanjay Aggarwal	3	Yes	4	6	4
Sh. Sandeep Aggarwal	4	Yes	2	3	1
Sh. S.P.S. Dangi	4	Yes	1	4	2
Sh. Satya Pal	4	Yes	1	4	1
Sh. Vijay Bhushan	4	No	7	5	2

### Other provisions as to Board and Committees

4 (Four) Board Meetings were held during the financial year ended on March 31, 2005. The date(s) on which the meetings were held are as follows:

- (1) 30th April, 2004
- (2) 30th July, 2004
- (3) 29th October, 2004
- (4) 28th January, 2005

All directors of the company are not the members in more than 10 committees or acting as chairman in more than 5 committees across all companies in which they are director.

### Code of Conduct

The Board of Directors of the company has laid down a code of conduct for all Board members and senior management of the company. The code of conduct has been posted on the website of the company at [www.paramountcables.com](http://www.paramountcables.com).

The provisions of the code of conduct laid down by the Board have duly been observed by the members of the Board and senior management.

### 3. AUDIT COMMITTEE

#### Qualified and Independent Audit Committee

The Board of Directors have constituted an Audit Committee, comprising of three independent non executive Directors namely Shri S.P.S. Dangi, Chairman of the committee, Shri Satya pal, and Shri Vijay Bhushan. All the members of the audit committee are financially literate. Shri 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 & Works Accountants of India and holds an expertise in accounting & finance matters. The constitution of Audit Committee also meets the requirements under section 292A of the Companies Act' 1956.

#### Meetings of Audit Committee during the financial year 2004-05.

During the year committee met 4 (Four) times. Quorum for the meeting is 1/3 of the total strength of the Board or 2 whichever is higher. The dates on which the Audit Committee met are given herein below:

- (1) 30th April, 2004
- (2) 30th July, 2004
- (3) 29th October, 2004
- (4) 28th January, 2005

#### Powers of Audit Committee

The Audit Committee of the company is vested with the following powers:

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

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## Role of Audit committee

The terms of reference/role stipulated by the Board for the Audit Committee, as contained under clause 49 of the Listing Agreement are as follows:

1. Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fee
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on exercise of judgment by management.
  - d. Significant adjustments made in the financial statement arising out of audit findings.
  - e. Compliance with the listing and other legal requirements relating to the financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
7. Reviewing the adequacy of internal audit functions, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors for any significant findings and follow up there on.
9. Reviewing any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussions with external auditors before the audit commences, nature and scope of audit as well as have post audit discussions to ascertain any area of concern.
11. To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## Review of Information by Audit Committee

The audit committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. The appointment, removal and terms of remuneration of the chief internal auditor.

## 4. REMUNERATION COMMITTEE

Board of Directors of the company has constituted a Remuneration Committee, comprising of 3 (Three) independent non-executive Directors viz. Shri Satya pal-Chairman of the Committee, Shri S.P.S. Dangl and Shri Vijay Bhushan. The Meeting of the Remuneration Committee is held as and when required to review/revise or modify the remuneration policy and the remuneration of the whole-time Directors.

The present remuneration policy is in consonance with the existing industry practice. The committee met once during the year under review on 30.07.2004 to consider & review the terms and conditions of the agreement entered into between the company and the whole-time directors viz. Shri Sanjay Aggarwal, Chairman & CEO and Shri Sandeep Aggarwal, Managing Director of the company for a period of five years commencing from 01.11.2004. The remuneration committee in its meeting held on 30.07.2004 approved the terms and conditions of the service contract and the remuneration payable to executive and whole time directors of the company.

## DETAIL OF REMUNERATION PAID TO THE EXECUTIVE DIRECTORS DURING THE YEAR 2004-05.

Aggregate value of salary, perquisites and commission paid for the year ended 31st March' 2005 to the whole-time directors is as follows:-

Name	Salary	Comm- ission	Company's Contrib- ution to P.F.	Perqui- sites	Sitt- ing Fee	Total
Shri Sanjay Aggarwal	12,00,000	—	1,44,000	4,34,570	—	17,78,570
Shri Sandeep Aggarwal	12,00,000	—	1,44,000	4,05,950	—	17,49,950

## Non Executive Directors' Compensation & Disclosures.

Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 1500/- (Rupees One Thousand Five Hundred Only) per director for each meeting attended. The Independent Directors are also paid a lumpsum conveyance and out of pocket expenses at the rate of Rs. 3500/- per head for each committee meeting/meeting of the Board of Directors attended by them.

Details of sitting fee paid to the directors for attending the Board and Committee meetings for the year ended 31st March' 2005 are as follows:

Shri S.P.S Dangl	Rs. 13500/-
Shri Satya pal	Rs. 13500/-
Shri Vijay Bhushan	Rs. 15000/-

## 5. SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

At present Shareholder'/Investors' Grievance Committee, comprises of the following Directors viz. Shri Vijay Bhushan, Shri Sanjay Aggarwal & Shri Sandeep Aggarwal. Shri Vijay Bhushan is appointed as the Chairman of the Committee.



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The committee, inter alia, approves issue of duplicate share certificates, look into and redress shareholders' complaints like non receipt of annual report/ balance sheet, non receipt of declared dividends, etc. and also oversees and reviews all matters connected with the delay in transfer of securities. The committee oversees the performance of the Registrar and Share Transfer Agents, and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving of transfer of shares to the Share Transfer Committee comprising of Shri Sanjay Aggarwal- Chairman and CEO and Shri Sandeep Aggarwal- Managing Director and the Shareholders and Investors Grievance Committee of the company meets as and when necessary and/or to review the transfer effected by the Share Transfer Committee of the company. The Board has designated Shri Ratan Aggarwal, Vice President (Finance) & Company Secretary of the company as the Compliance Officer.

The Shareholders and Investors Grievance Committee met once on 30.07.2004 during the year under reporting.

Total number of complaints received and replied to the satisfaction of the shareholders during the year under review was 23. The company received 12 complaints/shareholders' grievance for non-receipt of share certificate, 03 for non-receipt of dividend warrants, 03 for non-receipt of electronic credit, 05 others incl. complaints from SEBI and other statutory authorities pertaining to shareholders grievances during the financial year 2004-2005 and the same were redressed during the same period. Outstanding complaints as on 31.03.2005 were nil.

Year	Location	Date	Time
2001-02	Shah Auditorium (AGM)	23-09-2002	11.30.A.M.
	Shree Delhi Gujarati Samaj Marg Near ISBT, Delhi		
2002-03	Shah Auditorium (AGM)	18-09-2003	11.30.A.M.
	Shree Delhi Gujarati Samaj Marg Near ISBT, Delhi		
2003-04	Shah Auditorium (AGM)	20-09-2004	11.30.A.M.
	Shree Delhi Gujarati Samaj Marg Near ISBT, Delhi		
2004-05	Golden Huts, (EGM)	07-03-2005	11.30.A.M.
	82nd Milestone, Delhi-Jaipur Highway No. 8, Village Khijoori, Dist. Rewari, Near Dharuhera, Haryana		

No postal ballots were used for voting at these meetings in respect of the resolutions passed thereat. Two Special Resolutions were passed at the A.G.M. held on 23.09.2002 in respect of change in designation of Managing Director and Joint Managing Director of the company. Two Special Resolutions, one in respect of change in designation of Chairman and another in respect of voluntary delisting of company's share from Ahmedabad, Delhi, Calcutta and Jaipur stock exchanges were passed at the A.G.M. held on 18.09.2003.

Ordinary resolutions for increase in Authorised Share Capital from Rs. 17.0 crores to Rs. 25.0 crores, alteration in Memorandum of Associations of the company and special resolution for approval of rights issue in the ratio of 1 equity share for every 1 equity share held by the existing shareholders of the company or to such person or persons

who may or may not be the shareholders of the company were passed in the EGM held on 7th March, 2005.

## 7. Disclosures

(i) **Disclosures on materially significant related party transactions i.e. transactions 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.**

None of the transactions with any of the related party were in conflict with the interest of the company.

(ii) **Details of non-compliance by the company, penalties, 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 years:** None

(iii) **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.**

No personnel of the company had approached the audit committee during the year under reporting however the company has never denied access to any personnel to approach audit committee under whistle blower policy.

(iv) **Compliance with the code of corporate governance.**

The company is regularly complying with the mandatory requirements of the code of Corporate Governance.

## 8. MEANS OF COMMUNICATION

### Quarterly Results/Annual Financial Results.

Quarterly results are published in The Financial Express (English), Jansatta (Hindi) Delhi Editions and/or in other leading newspapers and the same are also displayed on the corporate website of the company [www.paramountcables.com](http://www.paramountcables.com). The financial results and shareholding pattern of the company is also available at the website of SEBI at <http://sebidifar.nic.in/> as the company is filing the same under Edifair system as per the requirement of clause 51 of the Listing Agreement.

The annual report of the company is sent to all the shareholders at their registered addresses.

## 9. GENERAL SHAREHOLDERS INFORMATION

### 9.1 Annual General Meeting

Date and Time : Wednesday, the 31st August, 2005  
Venue : **SHAH AUDITORIUM**, Shri Delhi Gujarati Samaj Marg, Near Inter-State Bus Terminal, Delhi-110 054

### 9.2 Financial Calendar 2005-2006 (tentative)

Financial year : 1 April, 2005 to 31 March, 2006

#### Approval of Quarterly Results.

Results for the quarter ending June 30	July' 05
Results for the quarter ending Sept. 30	October' 05
Results for the quarter ending Dec. 31	January' 06
Results for the quarter/year ending Mar. 31	April' 06/ May' 06

