

PCL/SE/08/2023

14.08.2023

The Corporate Relationship Department
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

The General Manager- Listing
National Stock Exchange of India Ltd.
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (East),
Mumbai-400 051

Symbol/Scrip Code: (BSE)530555/(NSE) PARACABLES**Sub: Monitoring Agency Report for the quarter ended June 30, 2023**

Dear Sir,

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 162A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, we are enclosing herewith the Monitoring Agency Report dated August 14, 2023 issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended June 30, 2023 in respect of utilization of proceeds of the issuance of Warrants convertible into Equity Shares, on preferential basis.

This will also be hosted on Company's website at www.paramountcables.com

Kindly take the same on your records

For Paramount Communications Limited

Rashi Digitally signed
by Rashi Goel
Date:
2023.08.14
13:16:12 +05'30'
Goel

Rashi Goel
Company Secretary & Compliance Officer

No. CARE/NRO/GEN/2023-24/1005

Mr. Shambhu Kumar Agarwal
Chief Financial Officer
Paramount Communications Limited
C-125, Paramount House,
Naraina Industrial Area, Phase-I, New Delhi

August 14, 2023

Confidential

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2023 - in relation to the Preferential Issue of Paramount Communications Limited ("the Company")

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs. 134.81 crore of the Company and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended June 30, 2023 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 14, 2022 towards utilization of proceeds of Preferential Issue .

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Sachin Mathur

Sachin Mathur

Associate Director

Sachin.mathur@careedge.in

CARE Ratings Limited

Plot no. C-001 A/2 Sector 16B, Berger Tower,
Noida, Gautam Budh Nagar (UP) - 201301
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Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLCO71691

Report of the Monitoring Agency (MA)

Name of the issuer: Paramount Communications Limited

For quarter ended: June 30, 2023

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.



Signature:

Name of the Authorized Signatory: Sachin Mathur

Designation of Authorized person/Signing Authority: Associate Director

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1) Issuer Details:

Name of the issuer : Paramount Communications Limited
 Name of the promoters : Mr. Sanjay Aggarwal and Mr. Sandeep Aggarwal
 Industry/sector to which it belongs : Industrial Products/ Cables- Electricals

2)

Issue Period : 18 months from date of allotment i.e. February 18, 2023
 Type of issue (Public/ Rights) : Preferential Share Warrant Issue
 Type of specified securities : Equity warrants
 IPO Grading, if any : Not applicable
 Issue size (in ` crore) : Rs. 134.81 crore (Note 1)*

* The offer comprises of 6,25,00,000 equity warrants of the company convertible into equal number of equity shares of face value 2 at an issue price (including warrant subscription price (Rs.5.40 per warrant) and warrant exercise price (Rs.16.17 per warrant) of Rs.21.57 per equity warrant as determined on the relevant date (for the purpose of calculating the price of equity warrants convertible into equal number of equity shares to be issued in terms hereof is December 12, 2022) in accordance with the provisions of Chapter V of the SEBI ICDR Regulations aggregating to Rs.134,81,25,000.00 for cash consideration by way of preferential allotment to persons/entities who are not forming part of the promoter and promoter group of the company.

Share Allotment committee vide meeting dated February 18, 2023, approved allotment of 6,23,25,925 equity warrants (all warrants could not be subscribed as some applications were received after the cut-off date) of the company convertible into equal number of equity shares of face value 2 at an issue price (including warrant subscription price (Rs.5.40 per warrant) and warrant exercise price (Rs.16.17 per warrant) aggregating to Rs.134,43,70,202.25 for cash consideration to persons/entities who are not forming part of the promoter and promoter group of the company.

Note 1:

| Particulars | Remarks |
|---|--------------------|
| Total equity warrants issued (A) | 6,25,00,000 |
| Warrant subscription price (B) | 5.40 [^] |
| Warrant exercise price © | 16.17 [^] |
| No. of warrants subscribed (D) | 6,23,25,925 |
| Amount received on subscription (E= B*D) | 33,65,59,995 |
| No. of warrants exercised (F) | 1,09,75,925 |
| Amount received on exercise of warrants (G=F*C) | 17,74,80,707 |
| Total proceeds received from warrants issued and exercised (H= E+G) | 51,40,40,702 |
| Net proceeds available for utilization (in Rs. Crore) | 51.40 |

[^]Each warrant is convertible into one (1) equity share and the conversion can be exercised at any time within a period of 18 months from date of allotment of warrants, in one or more tranches, as the case maybe and on such other terms and conditions applicable. Option for conversion of warrants into equity shares will be available upon payment of full price of warrant before such exercise of option.

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

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| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|---|-----------------------|--|-----------------------------------|------------------------------------|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | Chartered Accountant certificate*, Bank statement | Not applicable | Yes |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | No material deviation | Chartered Accountant certificate*, Bank statement | Not applicable | Not applicable |
| Whether the means of finance for the disclosed objects of the issue have changed? | No | Not applicable | Not applicable | Not applicable |
| Is there any major deviation observed over the earlier monitoring agency reports? | Not applicable | Not applicable | Not applicable | Not applicable |
| Whether all Government/statutory approvals related to the object(s) have been obtained? | Yes | Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) circular dated February 17, 2023 | Not applicable | Yes |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | Not applicable | Not applicable | Not applicable | Not applicable |
| Are there any favorable/unfavorable events affecting the viability of these object(s)? | Not applicable | Not Applicable | Not Applicable | Not Applicable |
| Is there any other relevant information that may materially affect the decision making of the investors? | Not applicable | Not applicable | Not Applicable | Not Applicable |

* Chartered Accountant certificate from P. Bholusaria & Co. (statutory auditor) dated July 22, 2023

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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4. Details of objects to be monitored:

(i) Cost of objects –

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Original cost (as per the Offer Document) in Rs. Crore | Revised Cost in Rs. Crore | Comments of the Monitoring Agency | Comments of the Board of Directors | | |
|--------------|-----------------------------|--|--|---------------------------|-----------------------------------|------------------------------------|---------------------------|--|
| | | | | | | Reason for cost revision | Proposed financing option | Particulars of -firm arrangements made |
| 1 | Capital expenditure | Offer Document | 20.00 | NA | NA | Not Applicable | Not Applicable | Not Applicable |
| 2 | Working capital requirement | Offer Document | 82.00 | NA | NA | Not Applicable | Not Applicable | Not Applicable |
| 3 | General Corporate Purpose | Offer Document | 32.81 | NA | NA | Not Applicable | Not Applicable | Not Applicable |
| Total | | | 134.81 | | | | | |

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(ii) Progress in the objects –

| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore | Amount raised till date i.e. June 30, 2023 | Amount utilised in Rs. Crore | | | Unutilised amount in Rs. crore | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|--------|-----------------------------|--|---|--|---|----------------------------------|--|--------------------------------|---|---|--|
| | | | | | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore^ | At the end of the quarter in Rs. Crore | | | Reasons for idle funds | Proposed course of action |
| 1 | Capital expenditure | Chartered Accountant certificate*, Offer Document, Bank statements | 20.00 | 51.40 | - | 0.78 | 0.78 | 7.08 | The funds have been used by the company towards payment for purchase of machines. | As per the terms of offer, all warrant holders paid 25% of the warrant issue price at the time of warrant allotment | Progressively to be utilized as per the timeline mentioned in the offer document |
| 2 | Working capital requirement | Chartered Accountant certificate*, Offer Document, Bank statements | 82.00 | | 20.27 | 15.18 | 35.45 | | The funds have been used by the company to purchase raw material from its suppliers. | | |
| 3 | General Corporate Purpose | Chartered Accountant certificate*, Offer Document, Bank statements | 32.81 | | 8.09 | - | 8.09 | | The funds have been used by the company to purchase stores and consumables, packing materials, and other raw materials. | | |

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| Sr. No | Item Head | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore | Amount raised till date i.e. June 30, 2023 | Amount utilised in Rs. Crore | | | Unutilised amount in Rs. crore | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|--------------|-----------|--|---|--|---|----------------------------------|--|--------------------------------|-----------------------------------|------------------------------------|---------------------------|
| | | | | | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore^ | At the end of the quarter in Rs. Crore | | | Reasons for idle funds | Proposed course of action |
| Total | | | 134.81@ | 51.40^ | 28.36 | 15.96 | 44.32 | 7.08# | | | |

* Chartered Accountant certificate from P. Bholusaria & Co. (statutory auditor) dated July 22, 2023

@ Share Allotment committee vide meeting dated February 18, 2023, approved allotment of 6,23,25,925 equity warrants (out of total of 6,25,00,000 equity warrants proposed) of the company convertible into equal number of equity shares of face value 2 at an issue price of Rs.21.57 aggregating to Rs.134,43,70,202.25 for cash consideration to persons/entities who are not forming part of the promoter and promoter group of the company. Further, Rs.134.81 crore include Rs.0.38 crore pertaining to 1,74,075 equity warrants which were not issued.

^The company has received Rs.5.40 per equity warrant (warrant subscription price) for 6,23,25,925 issued equity warrants as against proposed issue of 6,25,00,000 equity warrants. Further, the company has received warrant exercise price (Rs.16.17) for 1,09,75,925 warrants (out of total 6,23,25,925 warrants issued).

#Company has Rs.7.08 crores in mutual funds and bank accounts (in line with object clause) (excludes Rs.0.08 crore gain on redemption of investment in mutual funds)

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(iii) Deployment of un-utilized Preferential Issue proceeds:

| Sr. No. | Name of the Mutual Fund/Bank account | Type of account | Amount in Rs. crore | Source of information / certifications considered by Monitoring Agency for preparation of report |
|--------------|--------------------------------------|--------------------------|---------------------|--|
| 1 | ICICI Bank | Issue Monitoring Account | 0.15 | Chartered Accountant certificate*, Bank statements |
| Total | | | 0.15 | |

* Chartered Accountant certificate from P. Bholusaria & Co. (statutory auditor) dated July 22, 2023

Comments

- ICICI Bank account balance includes Rs.0.08 crore as gain on redemption of investment in mutual funds.

| Sr. No. | Type of instrument and name of the entity invested in | Amount invested (Rs. Crore) | Maturity date | Earning | Return on Investment (%) | Market Value as at the end of quarter* | Remarks |
|---------|---|-----------------------------|---------------|---------|--------------------------|--|---|
| 1 | HDFC Liquid Fund | 2.01 | - | - | - | 2.01 (in line with object clause) | Unutilized proceeds have been parked in mutual funds in line with the offer document dated December 14, 2022, and BSE guidelines dated December 13, 2022. |
| 2 | ICICI Liquid Fund | 5.00 | - | - | - | 5.02 (in line with object clause) | |

Verified from bank statements, mutual fund statement and Chartered accountant certificate from P. Bholusaria & Co. (statutory auditor) dated July 22, 2023

*As on June 30, 2023

(iv) Delay in implementation of the object(s): Not applicable

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

| Sr. No | Item Head^ | Amount in Rs. Crore | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of Monitoring Agency | Comments of the Board of Directors |
|--------------|---|---------------------|--|--|------------------------------------|
| 1 | Purchase of stores and consumables, packing materials, and raw materials. | 8.09 | Chartered Accountant certificate*, Bank statement | GCP utilized to procure stores, consumables, packing materials, and raw materials. | As per the terms of offer |
| Total | | 8.09 | | | |

* Chartered Accountant certificate from P. Bholusaria & Co. dated April 22, 2023

Comments

- As per rules laid out by SEBI, companies can utilize a maximum of 25% of the total funds from preferential issue as General Corporate Purpose.

(Source: BSE guidelines dated December 13, 2022.)

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