

October 18, 2018

To,
The Department of Corporate Services
Bombay Stock Exchange Limited
1st Floor, P.J.Towers,
Dalal Street
Mumbai - 400001

Dear Sir/Madam,

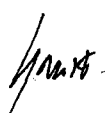
Sub: Submission of Annual Report for the Financial Year 2017-18

Scrip Code: 507970

In pursuance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, please find attached herewith the Annual Report of the Company for the financial year 2017-18 duly approved and adopted by the members in the Annual General Meeting of the Company held on Friday, 28th September, 2018 as per the provisions of the Companies Act, 2013.

Kindly take the above on record.

Yours sincerely,
For Paramount Cosmetics (India) Limited



Hansraj Rathor
Compliance Officer

PARAMOUNT COSMETICS (INDIA) LIMITED

CIN : L24240GJ1985PLC008282

Regd. Office : A-1/2211, III Phase G.I.D.C, Vapi, Gujarat - 396195

Corp. office : 902-904, 9th Floor, Prestige Meridian-1, 29 M.G. Road, Bangalore - 560001

Tel : 080-25320870 / 71 / 25327359

Email : compliance.officer@parammount.com / website : www.parammount.com





PARAMOUNT

Rising beyond imagination

PARAMOUNT COSMETICS (INDIA) LIMITED

**THIRTY THIRD ANNUAL REPORT
2017-2018**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hiitesh Topiwaalla	- Managing Director (DIN – 01603345)
Ms. Aartii Topiwaalla	- Director (DIN – 03487105)
Mr. Shishir B. Desai	- Independent Director (DIN – 01453410)
Mr. V.N. Mehta	- Independent Director (DIN – 02800993)
Mr. Mukesh Kumar Tyagi	- Independent Director (DIN – 01649644)

**CHIEF FINANCIAL OFFICER &
COMPANY SECRETARY**

Mr. Hansraj Rathor

BANKERS

IDBI Bank Limited

STATUTORY AUDITORS

M/s. Dagliya & Co
Chartered Accountants,
Bangalore

REGISTERED OFFICE

2211/A-1, III Phase, G.I.D.C. Vapi - 396 195
Dist. -Valsad, Gujarat
Email: compliance.officer@paramount.com
Website: www.paramount.com
CIN: L24240GJ1985PLC008282

CORPORATE OFFICE

902-904, 9th Floor,
Prestige Meridian-1,
29, M. G. Road,
Bangalore - 560 001
Ph: +91 80 25320870/71
Email: compliance.officer@paramount.com

REGISTRAR & SHARE TRANSFER AGENT
BgSE Financials Limited

Stock Exchange Towers, No. 51,
1st Cross, J.C Road,
Bangalore- 560 027
Ph: 080 4132 9661
Email: rta_admin@bfsi.co.in
manager_rta@bfsi.co.in

<u>CONTENTS</u>	
	Page No.
Corporate Information	3
Notice	4-9
Directors' Report	10-23
Management Discussion and Analysis	23-25
Corporate Governance Report	25-42
Auditors' Report	43-48
Balance Sheet	49
Profit & Loss Account	50
Cash Flow Statement	51
Notes on Accounts	52-80
Attendance Slip	81
Proxy form	82

As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies at the Annual General Meeting.

NOTICE

Notice is hereby given that the **Thirty Third Annual General Meeting** of the Members of Paramount Cosmetics (India) Limited will be held on Friday, the 28th day of September, 2018 at 11:00 a.m. at VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2018 and Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint M/s Dagliya & Co., Chartered Accountants as Statutory Auditor 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 pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force M/s Dagliya & Co., Chartered Accountants (Firm Registration No. 0671S), Bengaluru be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting of the company until the conclusion of the fifth consecutive Annual General Meeting of the Company.

SPECIAL BUSINESS:

3. Appointment of Ms. Aartii Topiwaala (DIN – 03487105) as a Director

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Aartii Topiwaala (DIN – 03487105) who was appointed as Additional Director of the Company by the Board of Director with effect from February 14, 2018 and who hold office up to the date of this Annual General Meeting (‘AGM’) under Section 161(1) of the Companies Act, 2013, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hiitesh Topiwaalla
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate members intending to send their authorised representative to attend the Annual General Meeting (AGM) are requested to send Certified Copy of Resolution authorising their representative to attend and vote on their behalf at the AGM.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st September, 2018 to Friday, 28th September, 2018(both days inclusive), in terms of Section 91 of Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.
4. In accordance with the Companies Act, 2013, one-third of the directors who are liable to retire by rotation (except Mr. Hiitesh Topiiwaalla, who has been re-appointed as the Managing Director for a term of three years effective from 1st April, 2017) retire every year and, if eligible, offer themselves for re-appointment at the AGM. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. The relevant detail of Directors seeking appointment / re-appointment under item no. 3 is elaborated in the Statement annexed to the notice.
5. Members are requested to notify immediately of any change in their address to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form are advised to notify any change in their address to the concerned depository participant.
6. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of Shares or any other Share related matters and/or change in address, furnishing of details of their bank accounts or updation thereof, to Company's Registrar - **BgSE Financials Limited**, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore – 560027. Ph. No. 080 41329661. E-mail: rta_admin@bfsi.co.in or manager_rta@bfsi.co.in
7. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 20th September, 2018 i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
9. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on Thursday, 20th September, 2018 may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or compliance.officer@parammount.com.
10. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Friday, 21st September, 2018 and will end at 5.00 p.m. on Tuesday, 25th September, 2018. The e-voting module shall be disabled by CDSL for voting thereafter.
11. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

12. The Company has appointed M/s Umesh Kumar & Associates, Practicing Company Secretary, Delhi to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

- I.** The Company has entered into an agreement with Central Depository Services Ltd (CDSL) for facilitating e-voting for AGM.

(A) In case a member receiving e-mail

- (i) The voting period begins on 21st September, 2018 at 9.00 a.m. and ends on 25th September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - c. with
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <input type="checkbox"/> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. <input type="checkbox"/> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <input type="checkbox"/> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Paramount Cosmetics (India) Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(A) In case a member receives physical copy of the Notice by Post

For members whose e-mail addresses are not registered with the Company / Depository Participant(s):

- a) User ID and initial password - These will be sent separately.
- b) Please follow all steps from Sr. No. (i) to (xvi) as aforementioned, to cast your vote.

- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
- IV. Members are requested to contact M/s. BgSE Financials Limited / Corporate Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
- V. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
- VI. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
- VII. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hitesh Topiwaala
Managing Director

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Item No. 3

Mrs. Aartii Topiwaala (DIN – 03487105) was appointed as an Additional Director of the Company, liable to retire by rotation, with effect from February 14, 2018 by the Board of Directors. Pursuant to Section 161 of the Companies Act, 2013, Ms. Aartii Topiwaala (DIN – 03487105) holds office as Director up to the date of this Annual General Meeting of the Company, and is eligible for the appointment as a Director. Notice under Section 160 of the Act has been received from a member indicating her intension to propose Mrs. Aartii Topiwaala for the office of Director at the forthcoming AGM.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 of the Notice for the appointment of Ms. Aartii Topiwaala (DIN – 03487105) as a Director, liable to retire by rotation.

Except Mr. Hiitesh Topiwaalla and Mrs. Aartii Topiwaala being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No.3.

A statement containing her profile is given below:

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Details
Name of Director	Ms. Aartii Topiwaala
Date of Birth	18.07.1972
Date of Appointment	14.02.2018(Additional Director)
Qualification	Bachelor of Commerce
Expertise in specific functional area	Rich experience of more than 21 years in the fashion industry
Shareholding in the Company	2600 Equity shares of Rs.10/- each
Relationship with Other Directors	Wife of Mr. Hiitesh Topiwaalla
List of Public Limited Companies in which Directorship held	NIL
List of Chairmanship/ Membership of the Committees of Board of Public Companies as on March 31, 2018	Paramount Cosmetics (India) Limited: <ul style="list-style-type: none"> • Audit Committee – Member • Nomination & Remuneration Committee – Member • Shareholder's Relationship Committee – Member • Share Transfer Committee - Member

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
For Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hiitesh Topiwaalla
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 33rd Annual Report of your Company, together with the business operations

For the year ended 31st March, 2018.

FINANCIAL RESULTS

Your Company's performance during the year as compared with that during the previous year is summarized below:

(Figures in Rs. lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sales and other Income	2,133.56	3,491.98
Profit before Depreciation, Interest, Exceptional Items, Extraordinary Items and Tax	484.71	539.58
Depreciation	171.54	214.30
Interest and Finance Charges	282.40	323.41
Profit before Tax	30.77	1.87
Net Profit/Loss	3.67	(9.36)
Re Measurement of net defined benefit plan(Net of tax)	2.55	7.39
Balance carried forward to the Balance Sheet	6.22	(1.97)

* Previous year's figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

INDIAN ACCOUNTING STANDARDS

The financial statements for the financial year 2017-18 have been prepared in accordance with the applicable Indian Accounting Standards (INDAS) and the corresponding figures for the previous year have been restated as per INDAS for the purpose of comparison.

PERFORMANCE DURING THE YEAR

Sales and other Income of the Company for the year is Rs. 2,133.56 lakhs as compared to Rs. 3,491.98 lakhs in the previous year, showing a decrease of 38.90%. PBDIT has shown a decrease of 10.13%. Profit after tax is Rs. 3.67 lakhs which is 139.21% higher than the preceding year which stood at Rs. (9.36) lakhs. Sale is impacted by sluggishness in the market after implementation of The Goods and Service Tax Act.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2017-18.

DIVIDEND

The Board of Directors has decided to conserve the profit and not to propose any dividend on Equity shares.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2018 stood at Rs.485.50 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity. As on March 31, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVE

Your directors do not propose to transfer any amount to the General Reserve.

MATERIAL CHANGS AND COMMITMENTS

No material changes and commitment have occurred from the date of close of the financial year till the date of this report which might affect the financial position of the Company.

EXTRACT OF ANNUAL RETURNS

The extract of annual return is posted on our official website, at <http://www.parammount.com/>. The report contains particulars of holding, subsidiary and associate companies, remuneration of directors and key managerial personnel and other information of the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Aartii Topiwaala, who was appointed as additional director on 14th February 2018, is being reappointed in the ensuing general meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act and SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the performance evaluation of Independent Directors was completed. The performance evaluation of Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are forming part of the Corporate Governance Report.

Details of Key Managerial Personnel

Following are the Details of Key Managerial Personnel who were appointed or have resigned during the Financial Year 2017-18:

Name of KMPs	Designation	Date of Appointment	Date of Cessation
Hansraj Rathor	Company Secretary	14 th August 2017	N.A

BOARD COMMITTEES

The details of following committees of the Board are provided in the Corporate Governance Report.

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer Committee
- Stakeholders Relationship Committee

- e) Risk Management Committee

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

During the year M/s S S Jain & Associates resigned from the post of Statutory Auditors and M/s. Dagliya & Co., Chartered Accountant, Bengaluru were appointed as Statutory Auditor of the Company to fill the casual vacancy. The Board of Directors recommends their appointment for a term of five years from the conclusion of the Ensuing Annual General Meeting till succeeding fifth Annual General Meeting. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL STANDARD OF ICSI

The ministry of Corporate Affairs has mandated SS-1, SS-2 and SS-3 with respect to board meetings, general meetings and payment of dividend respectively. The company is in compliance with them.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. Umesh Kumar & Associates, a firm of Company Secretaries (C P No.8561) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as an **Annexure 1** forming part of this Annual Report.

There is no Secretarial Audit Qualification for the year under review.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the performance evaluation of Independent Directors was completed. The performance evaluation of Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are forming part of the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities Exchange Board of India (SEBI).

The report on Corporate Governance as stipulated under the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 is presented in a separate section forming part of the Annual Report.

The requisite certificate from the Practicing Company Secretary, M/s. Umesh Kumar & Associates confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 in a separate section forming part of the Annual Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors was held on February 14, 2018 without presence of non-Independent Directors. In accordance with the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 the following matters were, inter alia reviewed and discussed in the meeting:

- Performance of Non-independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking in to consideration the views of Executive and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to electively and reasonably perform their duties.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under The SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, is presented in a separate section forming part of the Annual Report.

POLICIES OF THE COMPANY

The Board of Directors has framed the following policies. The details of these policies are explained in the Corporate Governance Report.

- a) Code of Conduct
- b) Risk Management Policy
- c) Policy for selection of Directors and Performance Evaluation
- d) Remuneration Policy for Directors, Key Managerial Personnel and Other Employees
- e) Whistle Blower Policy
- f) Related Party Transactions

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As required under the above mentioned Act, we report that in the year 2017-18 no case of sexual harassment of women was filed under the said Act.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had entered into contract / arrangement / transaction with related parties which could not be considered material in accordance with the policy of the Company on materiality of Related Party transactions.

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee of the Board and to the Managing Director of the Company.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The particulars required in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure** to this Report.

In terms of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to the members and others entitled thereto.

DISCLOSURES

- 1) Your Directors state that no disclosure or reporting is required in respect to the Deposits covered under Chapter V of the Companies Act, 2013 and rules made thereunder as there were no transactions on these items during the year under review.
- 2) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 3) **Number of Meetings of the Board**
The details of the number of meetings of the Board held during the financial year 2017-18 forms part of the Corporate Governance Report.
- 4) **Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made under the Auditors Report and Secretarial Audit Report**
The Auditors Report and Secretarial Audit Report do not contain any qualification, reservation or adverse remark.
- 5) **Particulars of Loans, Guarantees or Investments**
Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.
- 6) **Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;**
The Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 and Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is appended as an **Annexure 2** to this Report.
- 7) **The amounts which it proposes to carry to any reserves**
NIL
- 8) **Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report**
NIL
- 9) **The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, is appended as **Annexure 3** to this Report.

ACKNOWLEDGEMENTS

Your Directors wish to take this opportunity to express their appreciation and gratitude for the continued support extended by its Customers, Investors, Partners, Vendors, Financial Institutions, Bankers, Suppliers and various Government and Statutory Authorities for the Company's growth.

Your Directors also express sincere appreciation for the commitment and dedicated services rendered by each employee of the Company at all levels.

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hiitesh Topiiwaalla
Managing Director

ANNEXURES TO DIRECTORS' REPORT

Particulars of Employees and related disclosures

- 1) Statement of Disclosure of Remuneration Under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	95 Times		
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Director's - NIL Chief Financial Officer - NIL Company Secretary - NIL		
(iii) the percentage increase in the median remuneration of employees in the financial year;	2%		
(iv) the number of permanent employees on the rolls of company;	148		
(v) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year; and	(In Lacs)		
		31.03.2018	31.03.2017
	Market Cap	13.79	15.30
	(In Rs.)		
	PE	355	23.55
Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The Company has been in existence for more than 32 years. The Equity shares of the Company were listed more than 20 years back. Hence, such old records (the Stock Exchange) data is not available for comparison of Share pricing at Public Offer.		
(vi) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	1.24%		
(vii) affirmation that the remuneration is as per the remuneration policy of the company.	Yes		

2) Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

	Employed during the financial year under review, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees
Name of the Employee	Hiitesh Topiwaalla
Designation	Managing Director
Remuneration Received	Rs. 106.22 Lakhs
Nature of Employment (Contractual/ Otherwise)	Employment
Qualification	B.Com
Experience	27 Years
Date of Commencement of Employment	01.08.2005
Age	45 Years
Last Employment held	Paramount Cosmetics (I) Ltd.
Percentage of Equity held in the Company	52.75%
Relative of any Director/ Manager of the Company	Husband of Ms. Aartii Topiwaala

Employed during the financial year under review, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month: **Not Applicable**

Employed during the financial year under review, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: **Not Applicable.**

ANNEXURE - 1**Form NO.MR-3****FOR THE FINANCIAL YEAR ENDED 31.03.2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

CIN: L24240GJ1985PLC008282

To,

The Members,

M/s Paramount Cosmetics (India) Limited

CIN L24240GJ1985PLC008282

A -1/2211, III Phase, G I D C, Vapi, Gujarat - 396195

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s PARAMOUNT COSMETICS (INDIA) LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended 31st march 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under; (Not Applicable)
- iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Oversea Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(not applicable)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable)

h) The Securities and Exchange Board of India(Buyback of Securities) Regulations,1998;

vi. Other Applicable Provisions

- a) Maternity Benefits Act, 1961
- b) Payment of Wages Act, 1936, and rules made thereunder,
- c) The Minimum Wages Act, 1948, and rules made thereunder,
- d) Employees' State Insurance Act, 1948, and rules made thereunder,
- e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- f) The Payment of Bonus Act, 1965, and rules made thereunder,
- g) Payment of Gratuity Act, 1972, and rules made thereunder,
- h) The Contract Labour (Regulation & Abolition) Act, 1970,
- i) Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on meeting of Board of Directors and General Meetings.
- ii. The Listing Agreements mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. Apart from this the following laws, as identified by the management are specifically applicable to the Company:

- i. The Legal Metrology Act, 2009
- ii. Drugs & Cosmetics Act, Rules there-under
- iii. Shop and Establishment Act, and Rules Factories Act

We, place, reliance on the Management Representation letter regarding the compliance under these Acts.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, the office of Company Secretary remained vacant for some time during the year.

As per information & explanations given by management, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

As per minutes of the meetings duly recorded and signed by the Chairman, the decision of the board was unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and Guidelines.

We further report that during the audit period the Company had no significant events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

New Delhi
August 14, 2018

Umesh Kumar & Associates
Practicing Company Secretary
Sd/-
Umesh Kumar
COP No.: 8361

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,

Paramount Cosmetics (India) Limited
CIN L24240GJ1985PLC008282
A-1/2211 III Phase G I D C Vapi Gujarat 396195

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

New Delhi
August 14, 2018

Umesh Kumar & Associates
Practicing Company Secretary
Sd/-
Umesh Kumar
COP No.: 8361

Form AOC-2
Annexure - II

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis	
(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/ arrangements/ transactions	NIL
(c) Duration of the contracts / arrangements/ transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e) Justification for entering into such contracts or arrangements or transactions	NIL
(f) Date(s) of approval by the Board	NIL
(g) Amount paid as advances, if any	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	Paramount KumKum Private Limited
(b) Nature of contracts/ arrangements/ transactions	Sale/Purchase
(c) Duration of the contracts / arrangements/ transactions	Five Years
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	At Negotiated price being lowest among other Suppliers
(e) Date(s) of approval by the Board, if any	12.11.2015
(f) Amount paid as advances, if any:	NIL

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hiitesh Topiwaalla
Managing Director

ANNEXURE - III
PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES ACT, 2013

(A) Conservation of energy	Description
a) The steps taken or impact on conservation of energy	Though the Company is engaged in manufacturing activities, but it does not consume high energy for production and therefore, it has very limited scope for energy conservation.
b) The steps taken by the company for utilizing alternate sources of energy	The Company is conscious of energy saving and various initiatives have been taken by the Company to ensure that consumption of energy is at minimal levels in our operations, wherever feasible.
c) The capital investment on energy conservation equipments	NIL
(B) Technology absorption	
a) The efforts made towards technology absorption	Not Applicable
b) The benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(i) the details of technology imported	
(ii) the year of import;	
(iii) whether the technology been fully absorbed;	
(iv) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Not Applicable
d) The expenditure incurred on Research and Development	Not Applicable
(C) Foreign exchange earnings and Outgo	
Foreign Exchange earned in terms of actual inflows during the year	Rs 13.98 Lakhs
Foreign Exchange outgo during the year in terms of actual outflows	Rs 103.27 Lakhs

Registered Office:

**A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195**

CIN: L24240GJ1985PLC008282

Place: Bangalore

Date: 14.08.2018

By Order of the Board

Paramount Cosmetics (India) Limited

Hiitesh Topiwaalla

Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT 2018

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. Some important factors that could influence the Company's operations include the effects of demand & supply conditions affecting the selling prices of our products, raw material availability and prices, future changes in government policies & regulations, tax laws, economic conditions within the country and various other factors.

INDUSTRY OUTLOOK

We have informed last year that Beauty and Personal Care market in India is expected to touch \$ 10 billion by 2021 growing at an annual rate of 5-6 per cent on the back of evolving consumer awareness and aspirations, according to a report by Indian Beauty & Hygiene Association. On a global comparison, per capita spend in India at Rs. 450 on BPC is significantly lower than that in developed nations. The outlook of the industry continues to be same even with an impact of GST Implementation and Demonetization. The temporary negative impact of these two factors on the overall market is likely to be reversed in coming years.

DEVELOPMENTS IN THE COMPANY DURING THE CURRENT YEAR

There is no new category of products launched during the year. However, The NEW PRODUCTS launched in the previous year as well as our existing range was completely revamped and positioned in terms of their look and feel, imagery, packaging and presentation of the product, extremely superior quality of materials for products and packs as well as improving the application solution provided through the packs. The response received from the customers is quite encouraging and the products are highly appreciated.

FINANCIAL PERFORMANCE

1) Sales and Other Income

The Sales and other income of your Company for the year was Rs. 2133.56 lakhs as against Rs. 3491.98 lakhs in the previous year, showing a decline of 38.90% over the previous year.

2) Material Cost

The material cost for the year was Rs. 510.36 lakhs as against Rs. 1689.30 lakhs in the previous year. The material cost as to percentage to sales has reduced by 69.78%

3) Employment Cost

The expenses pertaining to employment costs have increased from Rs. 603.47 lakhs in the previous year to Rs. 560.13 lakhs showing an increase of 7.18%.

4) Operational and Other Expenses

During the year under review, the operational and other expenses, as compared to the previous year, have decreased by 5.62% i.e. from Rs. 701.76 lakhs to Rs.662.34 lakhs.

5) Finance Cost

The interest paid has decreased from Rs. 323.41 lakhs in the previous year to 282.40 lakhs in the current year.

6) Depreciation

The depreciation for the year was Rs. 171.54 lakhs as against Rs. 214.30 lakhs in the previous.

7) Profit Before Tax

Profit before tax (PBT) stood at Rs. 30.77 lakhs as against Rs. 1.87 lakhs in the previous year, showing a increase of 1545.45%.

8) Profit After Tax

Profit after tax (PAT) stood at Rs. 3.67 lakhs as against Rs. (9.36) lakhs in the previous year, showing improvement from last year.

OPPORTUNITIES

The BPC industry is categorised into five segments – body care, hair care, face care, hand care and colour cosmetics. Body care is the largest category and grew about 4 per cent CAGR between 2014 and 2016 while colour cosmetics was the fastest growing category at 12 per cent. The premium segment is expected to grow at 6.3 per cent per annum, compared to 1.1 per cent predicted for the mass market products.

Consumer behaviours and spending patterns have shifted and continue to shift as incomes rise and Indian society evolves.

THREATS

Although the Company has a long history of achievements and existence to its credit, the main threat to our brands of traditional cosmetics is from the spurious products dumped in the market by the unorganized sector. This could result in fake and low quality products being available in the market, thus hampering our sales. Some of the other constraints to our brands are the ever changing consumer behavior, lots of other brand choices available in the market, entry of foreign competitors which has created a stiff and intense competitive situation.

OUTLOOK

Cosmetics industry has emerged as one industry holding huge potential for future growth. It is contributing to the economic growth of the country. During the last three to four decades, the industry has gained momentum and shall continue to do so in the coming years. Your Company will continue to concentrate on both product development and broadening of customer base. This will help the Company to increase the stakeholder value, growth in volumes alongwith managing the margins through competitive pricing. Continued cost efficiency and cost savings coupled with infrastructure development will be the focus for the coming years.

RISKS & CONCERNS

The Company believes that an organization cannot be risk averse but has to persistently foresee and implement ways of mitigating these risks. The Company occasionally faces the risk of an economic downturn but looking at the growth prospects for the Cosmetics Industry, this risk can be controlled, if not mitigated. In order to ensure long term corporate sustainability and success it is essential that the Company accept these risks, place proper mechanisms and find solutions to reduce as well as mitigate these risks. Thus, the Company is well aware of these risks and challenges and has put in place mechanisms to mitigate the same.

INTERNAL CONTROL SYSTEMS

The Company has an Internal Audit and control system, manned and managed by qualified and experienced people. Company's internal control systems are well commensurate with the nature of its business and the size and complexity of its operations. These systems were designed foreseeing the nature of activities carried out at various locations and the various business operations. These control systems are routinely tested and cover all the offices, factories and key areas of business. Significant audit observations and follow up actions thereon are reported to the Audit Committee. Audit Committee reviews the adequacy and effectiveness of the Company's internal control and monitors the implementation of audit recommendations including those relating to strengthening of the Company's systems and procedures.

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hiitesh Topiwaalla
Managing Director

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is in line with the requirements of The SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 and is based on fundamental principles of Fairness, Accountability, Transparency, Integrity and Honesty to achieve sustainable growth.

Company's mission is to constantly review its systems and procedures to achieve the highest level of Corporate Governance.

Company has adopted best practice and ethics to conduct while interacting with Shareholders, Employees, Government, Lenders, Banks and other constituents.

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At Paramount Cosmetics (India) Limited, Corporate Governance has been an integral part of our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The corporate governance structure in the Company ensures that its Board of Directors is well informed and well equipped to fulfill its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is needed to meet the aspirations of all stakeholders, including societal expectations. It's initiatives towards adhering to highest standards of governance includes professionalization of the Board and fair and transparent processes and reporting systems.

II. BOARD OF DIRECTORS

A. BOARD COMPOSITION

The composition of the Board as on 31st March, 2018 is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 (1) of The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, laying down an optimum combination of Executive and Non-Executive Directors with one woman Director, with not less than 50 per cent of the Board comprising of Non- Executive Directors and have one-third comprising of Independent Directors.

As on March 31, 2018, Company's Board consists of 5 Directors. The details relating to the composition and categories of the Directors on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting, the number of Directorships and Committee memberships held by them in Domestic Public Limited Companies as on 31st March, 2018 are indicated below:

Name of Director	Category	RelationShip with Othe Director	Attendance Particulrs			No. of Directorship in domestic public Companies**		No. of Committee membership in domestic public Companies ***	
			No. of Board meetings		Last AGM				
			Held	Attended		As Chairman	As Director	As Chairman	As Member
Mr. Hiitesh Topiwaalla	Promoter & Executive	Husband of Ms. Aartii Topiwaala	4	4	Yes	NIL	1	NIL	NIL
Ms. Aartii Topiwaala	Promoter & Non-Executive	Wife of Mr. Hitesh Topiwaala	4	2	No	NIL	1	NIL	2
Mr. V. N. Mehta	Independent & Non-Executive	None	4	4	Yes	NIL	1	1	NIL
Mr. Shishir B. Desai	Independent & Non- Executive	None	4	4	No	NIL	2	NIL	2
Mr. Mukesh Kumar Tyagi	Independent & Non- Executive	None	4	4	No	NIL	1	1	2



Number of Directorships in Public Companies includes Paramount Cosmetics (India) Limited.

*** For this purpose only Audit Committees and Stakeholder Relationship Committees of Public Companies have been considered.

NOTE: None of the Non-Executive Directors have substantial shareholding in the Company.

A. INDEPENDENT DIRECTOR

Board Independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement, the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors are Independent in terms of the Listing Agreement and the Companies Act, 2013.

Meetings of Independent Directors

The Independent Directors met one time during the Financial Year ended 31st March, 2018 on 14th February, 2018 and inter alia discussed:

- a) The performance of non-Independent Directors and the Board as a whole;
- b) The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Disclosures by Independent Directors

All the Independent Directors have made necessary disclosures under the Companies Act, 2013 and Listing Agreement.

B. FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

All Independent Directors are aware and further updated about their roles, rights, responsibilities in the Company. A Directors' kit containing information about the Company, Memorandum and Articles of Association, Annual Reports for previous 3 financial years, recent Media Releases etc. is handed over to the new Director. The appointment letter issued to Independent Directors inter alia sets out the expectation of the Board from the appointed Director, their fiduciary duties and the accompanying liabilities that come with the appointment as a Director of the Company.

Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the duties and responsibilities of Independent Directors and the Company's business segments were made at the separate meetings of the Independent Directors held during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Each Director of the Company has complete access to any information relating to the Company. Independent Directors have the freedom to interact with the Company's Management. They are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry segments of which it is a part. Further, they meet without the presence of the Company's Management Personnel to discuss matters pertaining to the Company's affairs and put forth their combined views to the Managing Director of the Company.

Site visits to various plant locations are organized for the Independent Directors to enable them to understand the operations of the Company.

C. DIRECTORS' MEMBERSHIP IN BOARD/COMMITTEES OF OTHER COMPANIES

In terms of the Listing Agreement, none of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the Companies in which they are Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies and do not hold the office of Director in more than ten public Companies.

D. BOARD MEETINGS

During the financial year 2017-18, the Board of Directors met Four (4) times on the following dates:

- a) 30.05.2017
- b) 14.08.2017
- c) 06.11.2017
- d) 14.02.2018

The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than 120 days, as stipulated under Regulation 17(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

E. INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. Besides the business items, the agenda includes the items required to be considered by the Board of Directors as per the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 for discussion and consideration at Board Meetings.

F. APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

In accordance with the provisions of Companies Act, 2013 Ms. Aartii Topiwaala, Director who was appointed as additional director on 14th February 2018 is being reappointed as director liable to retire by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offers herself for re-appointment.

The brief resume and other details relating to Ms. Aartii Topiwaala, Director who is proposed to be reappointed, as required to be disclosed under SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, has been mentioned in the Statement annexed to Notice.

G. CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct for Directors and Senior Management in respect of the Financial Year ended on 31st March, 2018.

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282

By Order of the Board
Paramount Cosmetics (India) Limited

Place: Bangalore
Date: 14.08.2018

Hiitesh Topiwaalla
Managing Director

A. AUDIT COMMITTEE
Composition:

The composition of the Audit Committee is in confirmation with the requirements of Section 177 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 of the As on March 31, 2018, the Audit Committee comprises of:

Name	Designation	Category
Mr. Mukesh kumar Tyagi	Member	Independent Director
Mr. V.N. Mehta	Chairman	Independent Director
Mrs. Aartii Topiwaala	Member	Non-Executive Promoter Director

Meetings:

During the Financial Year 2017-18, the Audit Committee met four times. The details of meeting and attendance are given on Page no. 31 of this Report. The time gap between any two meetings was less than four months.

The Company Secretary is acting as Secretary of the Audit Committee and the meetings were also attended by Chief Financial Officer of the Company who was present there as invitee.

The Chairman of the Audit Committee was present at the last Annual General Meeting, to answer the Shareholders' Queries.

The Committee, in its meeting held on 15th June, 2018 reviewed the Annual Accounts for the period ended 31st March, 2018.

Terms of Reference:

The terms of reference/Powers of the Audit Committee are as under:

Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

- 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 relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, 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;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, share-holders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The scope of the activities of the Nomination and Remuneration Committee includes, recommending to the Board, the appointment / re-appointment of Executive Director, to consider, approve and recommend the remuneration of the Whole Time Director/Managing Director.

Composition:

The Nomination and Remuneration Committee of the Board comprises of the following directors as members:

Name	Designation	Category
Mr. V.N. Mehta	Chairman	Independent Director
Mr. Mukesh Kumar Tyagi	Member	Independent Director
Ms. Aartii Topiwaala	Member	Non-executive promoter director

Terms of Reference:

The terms of reference/Powers of the Nomination and Remuneration Committee are as under:

- 1) 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/or removal
- 2) To carry out evaluation of every Director's performance
- 3) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees

- 4) To formulate the criteria for evaluation of Independent Directors and the Board
- 5) To devise a policy on Board diversity
- 6) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- 7) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:
 - a) the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
 - b) the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - c) the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
 - d) the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - e) the right of an employee to exercise all options vested in him at one time or various points of time within the exercise period;
 - f) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
 - g) the granting, vesting and exercising of options in case of employees who are on long leave; and
 - h) the procedure for cashless exercise of options.
- 8) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- 9) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Meeting Details

Two meetings of the Nomination and Remuneration Committee were held during the year. The details of meeting and attendance are given on Page no. 31 of this Report.

C. RISK MANAGEMENT COMMITTEE

Composition:

The Risk Management Committee of the Board comprises of the following directors as members:

Name	Designation	Category
Mr. Hiitesh Topiwaalla	Chairman	Managing Director
Mr. V.N. Mehta	Member	Independent Director
Mr. Hansraj Rathor	Member	Chief Financial Officer

Role and Responsibilities:

Role and Responsibilities of the Committee includes the following:

- 1) Framing of Risk Management Plan and Policy.
- 2) Overseeing implementation of Risk Management Plan and Policy.
- 3) Monitoring of Risk Management Plan and Policy Validating the process of risk management.
- 4) Validating the procedure for Risk Minimisation.
- 5) Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.

- 6) Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- 7) Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

Meeting Details

One meeting of the Committee was held during the year and the details of meeting and attendance are given on Page no. 31 of this Report.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution

The Stakeholders Relationship Committee is duly constituted as per the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 of the following members:

Name	Designation	Category
Mr. V.N. Mehta	Member	Independent Director
Mr. Mukesh Kumar Tyagi	Chairman	Independent Director
Ms. Aartii Topiwaala	Member	Non-executive promoter director

The Stakeholders Relationship Committee composition and the terms of reference meet with the requirements of The SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 and provisions of the Companies Act, 2013.

Terms of Reference

The Shareholders' Relationship Committee has been constituted to specifically look into the redressal of Shareholders' complaints and other Stakeholders related issues. The scope of activities of the Committee is to look into specific investor complaints, approve the transfer/transmission of shares, approve issue of duplicate share certificate, etc.

The Shareholders' Relationship Committee three times during the year and the details of meeting and attendance are given on Page no. 31 of this Report.

Compliance Officer

Company Secretary of the Company is the Compliance Officer as per the requirements of the Listing Agreement.

Complaints received / resolved

Investor Complaints status as on 31st March 2018:

Opening Balance	Received during the financial year	Resolved during the financial year	Closing Balance
NIL	1	1	NIL

Pending Share Transfers

No requests for Transfer and / or Dematerialisation were pending for redressal as on 31st March, 2018.

E. SHARE TRANSFER COMMITTEE

The Share Transfer Committee is formed as per the requirement of relevant rules exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee comprises three Directors of the Board namely Mr. Hiitesh Topiwaalla, Ms. Aartii Topiwaala and Mr. V.N. Mehta.

The Committee inter alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. The Committee is authorised to sign on consolidation, splitting or in lieu of share certificates lost, defaced or destroyed.

The Committee meets at regular intervals to approve the share transfers and other related matters.

F. Meetings of Board Committees held during the year and Directors' attendance:

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Share Transfer Committee	Risk Management Committee
Meetings Held	4	2	4	24	1
Name of the Directors					
Mr. Hiitesh Topiwaalla	-	-	-	24	1
Ms. Aartii Topiwaala	2	1	2	12	-
Mr. V.N. Mehta	4	2	4	24	1
Mr. Shishir B Desai	2	-	-	-	-
Mr. Mukesh Kumar Tyagi	4	2	4	-	-

IV. POLICIES

A. CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct (the Code) applicable for Directors, Managers, Officers and Associates.

The Company has adopted this Code of Conduct and Ethics as a testimony of its commitment to adhere to the standards of loyalty, honesty, integrity and the avoidance of conflicts of interest. The rules and principles set forth in this code are general in nature and the compliance with the code shall be ensured read with other applicable policies and procedures of the company. The Directors, Managers, Officers and Associates may contact the Head-HR or the Compliance Officer for assistance in interpreting the requirements of this code.

The Code is applicable to Board Members and Senior Management to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical Conduct of Business and Compliance of Law. The Code includes -

- Compliance with Laws, rules & regulations
- Conflict of Interest
- Reporting standards
- Competition and fair dealing
- Whistle blower policy
- Policy against retaliation
- Compliance with code
- Independent Directors – Roles and Responsibilities

A copy of the Code has been put on the Company's website (www.parammount.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director and Chief Financial Officer is published in this Report.

B. RISK MANAGEMENT POLICY

Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Over-seeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Risk Management Policy was reviewed and approved by the Committee. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors

together governs how the Company conducts the business and manages associated risks. The Company has introduced several improvements to Risk Management, Internal Controls Management and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

C. POLICY FOR SELECTION OF DIRECTORS AND PERFORMANCE EVALUATION

The Nomination and Remuneration Committee of the Company approved an Evaluation Policy during the year, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors. The Policy provides that evaluation of the performance of the Board as a whole, Board Committees and Directors shall be carried out on an annual basis.

The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

D. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The objective of this policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

Non-Executive Directors shall be paid a sitting fee of Rs. 5,000/- for every meeting of the board attended by them as member.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc. shall be paid.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.

E. WHISTLE BLOWER

Compliant and Investigation Procedures for Accounting, Internal Accounting Controls, Fraud, Auditing Matters or others:

All Directors, Managers, Officers, and Associates of the Company are responsible to report in good faith, questionable accounting/auditing matters, and internal accounting controls, financial reporting (Accounting Complaints), any violations, fraudulent/unethical practices, misconduct or such other

genuine concerns, which are against the interests of the Company. It is the policy of the Company to treat such complaints seriously and expeditiously.

The reporting, which will be free of retaliation and discrimination, shall be in writing either by way of email or letter. While the policy encourages Directors, Managers, Officers, and Associates to disclose their names, the reporting may also be made anonymously.

The reporting for other than accounting complaints may be made to the Associate-In-Charge (AIC) of the function to which the Associate belongs and the AIC in turn shall report to the Managing Director. However, if Associate is unwilling or unable to report or complaint through AIC for any specific reason, he may directly report or complain to the MD or the Chairman of the Audit Committee, by disclosing the reason for doing so. In case of key management personnel at all the levels and head of various function, the reporting may be directly made to the MD or the Chairman of the Audit Committee. In regard to the accounting complaints, the reporting shall be made to the Compliance Officer, who shall directly report to the MD or the Chairman of the Audit Committee for review and investigation under its direction.

No personnel have been denied access to the Chairman of the Audit Committee.

There is a vigil Mechanism and it is working. During the year no complaints, reference or instances of fraud is reported.

F. POLICY ON RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, the Company has formulated a Policy on Related Party Transactions. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval.

V. REMUNERATION OF

DIRECTORS Details of

Remuneration of Directors

The Company has not paid any remuneration to any of its Non-Executive Directors, except the Sitting Fees for attending meetings of the Board for which Rs. 5000/- (Rupees Five Thousand only) per meeting was paid. The aggregate amount of sitting fees paid during the financial year was Rs. 0.60 Lakhs.

Further, the remuneration paid/payable to Mr. Hiitesh Topiiwaalla, Managing Director of the Company for the financial year ended 31.03.2018 are as follows:

(Rupees in Lakhs)	
Particular	Amount
Basic Salary	63.00
Allowances & Perquisites	37.00
commission	6.21
Total	106.21

VI. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report form part of the Annual Report.

VII. SHAREHOLDING OF DIRECTORS

Details of the share of the Company held by Non-Executive Directors as on March 31, 2018:

Name of Directors	No. of Equity Shares held	% of Total Paid-up Equity Capital
Mr. V.N. Mehta	177	0.0036%
Mr. Shishir B Desai	Nil	Nil
Ms. Aartii Topiwaala	2,600	0.0535%
Mr. Mukesh Kumar Tyagi	Nil	Nil

VIII. CEO/CFO CERTIFICATION

To,
The Board of Directors
Paramount Cosmetics (India) Limited

- We have reviewed financial statements and the cash flow statement of Paramount Cosmetics (India) Limited for the year ended 31st March, 2018 and to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- We have indicated to the Auditors and the Audit Committee that:
 - there are no significant changes in internal control over financial reporting during the year;
 - there are no significant changes in accounting policies during the year; and
 - there are no instances of significant fraud of which we have become aware.

On behalf of the Board of Directors

Sd/-

Hiitesh Topiwaalla
Managing Director

Sd/-

Hansraj Rathor
Chief Financial Officer

Place: Bangalore
Date: 14.08.2018

IX. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
M/s PARAMOUNT COSMETICS (INDIA) LIMITED
CIN:L24240GJ1985PLC008282
A-1/2211, III PHASE, G I D C VAPI, GUJARAT- 396 195

We have examined the compliance of conditions of Corporate Governance by PARAMOUNT COSMETICS (INDIA) LIMITED, for the year ended March 31, 2018, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange and the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

The compliance of conditions of Corporate Governance are the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in above mentioned Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management as conducted the affairs of the company.

New Delhi
August 14, 2018

Umesh Kumar & Associates
Practicing Company Secretary
Sd/-
Umesh Kumar
COP No.: 8361

X. GENERAL BODY MEETING

The details of the Annual General Meetings held during last three year immediately before March 31, 2018 is given in Table below:

Year	Date	Venue	Time	No. of Special Resolutions Passed at AGM
2016-17	September 29, 2017	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195	11.00 a.m.	Nil
2015-16	September 30, 2016	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195	11.00 a.m.	One
2014-15	September 30, 2015	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi - 396 195	11.00 a.m.	Two

Postal Ballot

During the year, the Company has not passed any Special Resolution through Postal Ballot. At present, there is no proposal for passing resolution through Postal Ballot.

xi. DISCLOSURES

(i) **Related Party Transactions:** During the year 2017-18, besides the transactions reported in Note 31 to the financial statement in the Annual Report, there are no materially significant related party transactions with the Directors or Management or their relatives which have potential conflict with the interest of the Company at large.

(ii) **Details of Non-Compliance by the Company:** The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

During the financial year 2017-18, No penalty /prosecution is initiated by Stock Exchange or SEBI

(iii) **Whistle Blower Policy:** The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No personnel have been denied access to the Chairman of the Audit Committee.

(iv) **Disclosure by Senior Management:** Senior Management has made disclosure to the Board relating to material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

(v) **Secretarial Audit:** Pursuant to Clause 47(c) of the Listing Agreement, Certificates on half-yearly basis, have been issued by a Company Secretary in practice, for due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, Certificates have also been received from the Company Secretary in practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for Reconciliation of the Share capital of the Company.

(vi) **Unclaimed Dividend:** As per the Companies Act, 2013, Company shall transfer unpaid or unclaimed dividend for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF).

In accordance with the following Schedule, the Dividends for the years mentioned as below, if unclaimed for a period of Seven years, will be transferred to IEPF:

Dividend Year	Type of Dividend	Rate of Dividend	Date of declaration	Due date for Transfer to IEPF	As on March 31, 2018
2010-11	Final Dividend	5%	30/09/2011	04/11/2018	1,89,728/-
2011-12	Final Dividend	5%	29/09/2012	03/11/2019	2,22,794/-
2012-13	Final Dividend	6%	30/09/2013	04/11/2020	2,33,505/-
2013-14	Final Dividend	6%	30/09/2014	04/11/2021	2,52,323/-
2014-15	Final Dividend	6%	30/09/2015	04/11/2022	2,63,668/-
2015-16	Final Dividend	5%	30/09/2016	04/11/2023	2,45,952/-
2016-17	Final Dividend	5%	29/09/2017	03/11/2024	2,50,886/-

The shareholders may write to M/s. BgSE Financials Limited before the due dates to claim their unclaimed Dividend. Once the unclaimed Dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

XII. MEANS OF COMMUNICATION

Quarterly Results: Publication of Results in the Newspaper

Newspaper wherein results normally published: Western Times (English) and Western Times (Gujarati) in Gujarat

XIII. GENERAL SHAREHOLDER INFORMATION

1. AGM:

Date : September 28, 2018
Time : 11:00 a.m.
VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi- 396
Venue : 195, Gujarat

2. FINANCIAL YEAR: 01st April, 2017 to 31st March, 2018

3. DATE OF BOOK CLOSURE:

The Register of Members and Share Transfer Books of the Company will remain closed from Friday 21st September, 2018 to Friday 28th September, 2018 (both days inclusive).

4. LISTING ON STOCK EXCHANGE:

The Company's Shares are listed with following Stock Exchanges:

Listing	Scrip Name	Scrip Code / Scrip ID
Bombay Stock Exchange Limited (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400 001	PARAMOUNT CO	507970 / PARMCOS-B

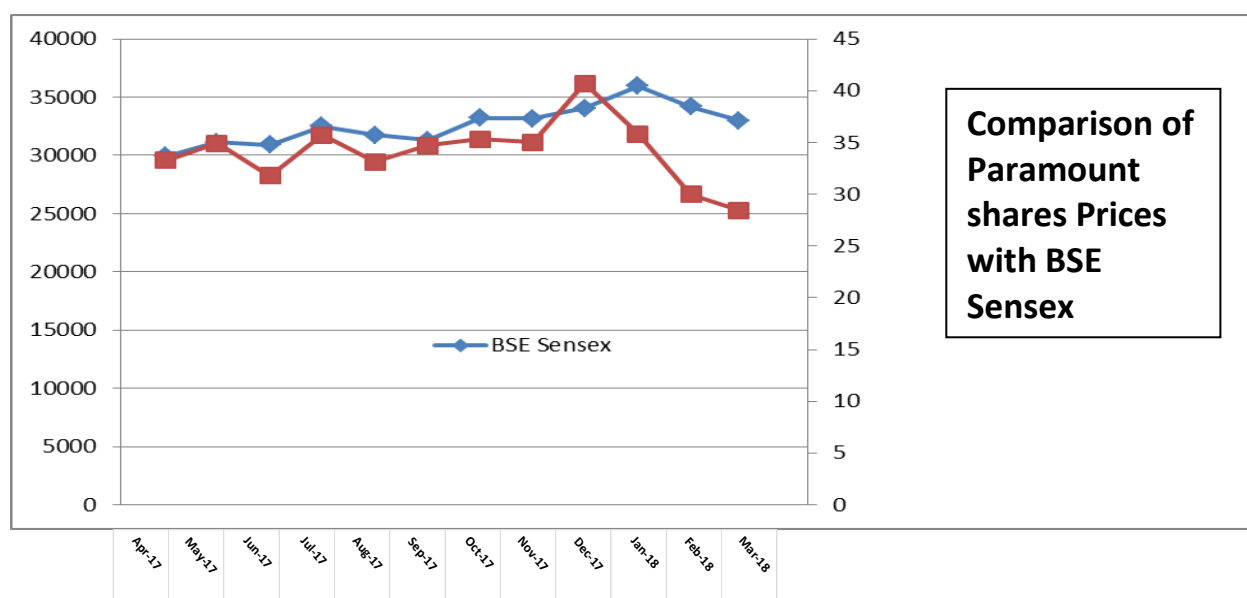
Listing fee: The Company is up-to-date on the payment of Annual Listing Fee.

6. MARKET PRICE DATA:

High and Low prices during each month of Financial Year 2017- 2018 on Bombay Stock Exchange Limited are as under:

Month	High Price	Low Price	Close Price	Volume (No. of Shares)
Apr-17	39.10	32.10	33.25	4069
May-17	41.90	31.85	34.90	14546
Jun-17	38.95	31.80	31.80	3580
Jul-17	36.15	30.55	35.70	4728
Aug-17	40.25	30.00	33.10	13522
Sep-17	34.75	27.00	34.70	10198
Oct-17	36.20	29.95	35.30	11992
Nov-17	37.05	27.60	35.00	12693
Dec-17	43.75	30.50	40.70	10675
Jan-18	44.80	35.80	35.80	12385
Feb-18	41.25	29.90	30.00	5727
Mar-18	32.00	26.80	28.45	11737

(Source: This information is compiled from the data available from the website of BSE)



7. REGISTRAR AND TRANSFER

AGENTS: BgSE Financials

Limited

Stock Exchange Towers No. 51, 1st Cross, J.C Road, Bangalore- 560

027 Ph: 080 41329661; Email: rta_admin@bfsi.co.in;

manager_rta@bfsi.co.in

8. SHARE TRANSFER SYSTEM:

The Shares are accepted for registration of transfer at the Corporate Office of the Company in addition to the office of Registrar and Transfer Agent (RTA). M/s BgSE Financials Limited is fully equipped to undertake the activities of Share Transfers and redressal of shareholders grievances.

The Company has appointed M/s. BgSE Financials Limited as Share Transfer Agents and all work relating to share transfers is executed by them. Requests from Shareholders holding shares in Physical

form, received by the Company and Share Transfer Agents are processed by Registrar and Transfer Agents and subject to all documents being in order are put up for approval to the Share Transfer Committee.

9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018:

Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
01-500	6989	96.79	8,89,884	18.33
501-1000	148	2.05	1,05,143	2.17
1001-2000	48	0.66	67,741	1.40
2001-3000	16	0.22	40,310	0.83
3001-4000	7	0.10	24,802	0.51
4001-5000	1	0.01	4,369	0.09
5001-10000	6	0.09	38,093	0.78
10001-50000	3	0.04	58,878	1.21
50001 and above	3	0.04	36,25,780	74.68
Total	7221	100.00	48,55,000	100.00

Shareholding Pattern as on 31st March, 2018

Category	No. Of Shares Held	Percentage of Shareholding
Promoters	36,28,390	74.74
Financial Institutions / Banks	2,100	00.05
Bodies Corporate	24,329	00.51
Mutual Funds and Unit Trust of India	0	00.00
Others	12,00,181	24.70
Total	48,55,000	100.00

10. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2018:

The Company's shares are traded in physical and dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

40,63,009 Ordinary Shares of the Company representing 83.69% of the Company's share capital is dematerialized as on 31st March, 2018.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 143I01013.

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: **Not Applicable**

11. PLANT LOCATION:

Vapi	:	A-1/2211, III Phase, G.I.D.C. Vapi – 396 195 Dist : Valsad (Gujarat)
Daman	:	168/244 & 168/245, Dabhel Industrial Society Limited, Dabhel, Daman - 396210
Shoolgiri	:	Survey No. 124/3B, Chennapalli Village, Shoolagiri, Hosur, Taluk, Krishnagiri – 635117, Tamilnadu

**i ADDRESS FOR
CORRESPONDENCE:**

Paramount Cosmetics (India)
Limited

902-904, 9th Floor, Prestige Meridian – 1, No. 29, M.G. Road, Bangalore – 560 001

Phone: +91 080 2532 0870 / 71; Email: compliance.officer@paramount.com; Website: www.paramount.com

Investors Relation Centers

Corporate Office:	Paramount Cosmetics (India) Limited 902-904, 9th Floor, Prestige Meridian – I No. 29, M.G. Road, Bangalore – 560 001 Phone: +91 080 2532 0870 / 71 Email: compliance.officer@paramount.com
Registered Office:	Paramount Cosmetics (India) Limited A-1/2211, III Phase, G.I.D.C. Vapi- 396195 Gujarat Email: compliance.officer@paramount.com

XIV. NON MANDATORY REQUIREMENTS

The status / extent of compliance of non-mandatory requirements are as follows:

S. No.	Non Mandatory Provisions	Status
1.	The Board: Maintenance of Non-Executive Chairman's Office	Not Applicable
2.	Shareholders' rights: Half-yearly financial performance and summary of significant events may be sent to each household of shareholders.	The half-yearly financial results are published in widely circulating national and local dailies at the place of the registered office of the Company.
3.	Audit qualifications: The Company may move towards the regime of unqualified financial statements.	The Company has NIL qualification in F.Y. 2017-18
4.	Separate Posts of Chairman and CEO: The Company may appoint separate person to the post of Chairman and Managing Director/CEO	Not Applicable
5.	Reporting of Internal Auditor: The Internal Auditor may report directly to the Audit Committee	The Internal Auditor reports directly to the Audit Committee

Registered Office:

A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282
Place: Bangalore
Date: 14.08.2018

**By Order of the Board
For Paramount Cosmetics (India)
Limited**

**Hiitesh Topiwaalla
Managing Director**

Independent Auditor's Report

To,
The Members of,
Paramount Cosmetics (India) Limited,
Bangalore.

Report on the Ind AS Financial Statements:

We have audited the accompanying Ind AS financial statements of Paramount Cosmetics (India) Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors-is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act"): with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income) and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in The Companies (Indian Accounting Standards) Rules, 2015 as amended under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act except SA 501, that we could not participate in physical verification of inventories at the year end since our appointment was made subsequent to the year end. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IndAS financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its Total Comprehensive Income (comprising of Loss and Other Comprehensive Income), its cash flow and the changes in equity for the year ended on that date.

Emphasis of Matter:

We draw your attention to disclosure in 31.15 of the Financial Statements regarding first time implementation of Ind AS due to which adjustments have been made by restating Indian GAAP financial statements including the Balance Sheet as at 01.04.2016 and the Financial Statements for the year ended 31.03.2017 which has resulted in decrease in equity as presented under previous GAAP by Rs 262.42 Lacs on 31.03.2017. Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements:

- I. As required by the Companies (Auditor'S Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us we give a statement on the matters specified in paragraphs 3 and 4 of the Order.
- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. The Company has a program of verification of fixed assets to cover once in a financial year. However no material discrepancies found on such physical verification.
 - c. The title deeds of immovable properties are held in the name of the company.
 - ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of accounts.
 - iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership Firms or other parties covered in the register maintained u/s 189 of the Act, hence the question of grant of such loans being prejudicial to company's interest, schedule of repayment of interest and principal, receipt of principal and interest on regular basis and steps for recovery of overdue amount for more than 90 days as per clause (iii) of the Order does not arise.
 - iv. The company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made during the year. The company has not granted any loans nor given guarantees / security, hence the question of compliance with the provisions of Sections 185 and 186 of the Act does not arise.
 - v. The company has not accepted any deposits from public; hence the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under as per clause (v) of the Order does not arise.
 - vi. The company is not required to maintain cost records under sub-section (1) of section 148 of the Act for the operations of the company; hence the reporting requirements under clause (vi) of the Order does not arise.

- vii. a. The company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Service tax Goods and Services Tax, Duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities to the extent applicable to it.

b. Subject to the following dues we state that no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues which have remained outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of Dues	Amount(Rs in Lakhs)	Period to which the amount relates	Due Date
The Provident fund and Miscellaneous provisions Act, 1952	Provident fund dues	2.46	April- August 2017	15th of Every subsequent month
The Employees State Insurance Act 1948	ESI dues	0.17	April- August 2017	15th of Every subsequent month
The tax on profession and callings	Profession Tax	0.38	April 2016 to August 2016	20th of Every subsequent month
The Finance Act, 1994	Service tax undue reverse charge mechanism	4.15	2015-16 up to August 2017	5th of Every subsequent month
State VAT Acts	VAT payable	0.24	2016-17 up to August 2017	20th of Every subsequent month
Central, State and Integrated Goods and Services Tax	GST	0.06	April - August 2017	20th of Every subsequent month

c. According to the information and explanations given to us, there are no dues of Income tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or value Added Tax which have not been deposited on account of any dispute except as stated below:

Name of the Statute	Nature of the Dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sale Tax Department	Sales Tax Dues	20.12(Net of payments under protest)	2001-02 2002-03	Joint Commissioner of commercial tax, WB

- viii. The Company has not defaulted in repayment of loans or borrowings from banks and Financial Institutions. The company has neither borrowed any loans from Government nor issued any debentures and consequently the question of default in repayment does not arise.
- ix. No money was raised by way of initial public offer or further public offer nor the company has raised money by term loan during the year hence the requirements of clause (ix) of the Order are not applicable to the Company;

- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion the managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
- xii. The company is not a Nidhi Company. Therefore the provisions of clause (xii) of the order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties as defined in the Act, are in compliance with the provisions of Sections 177 and 188 of the Act and the disclosure of such transactions is made in the Financial Statements as required by applicable Accounting Standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence the requirement of compliance with provisions of Section 42 of the Act and utilization of amounts so raised for the purpose for which the funds were raised as per clause (xiv) of the order does not arise.
- xv. In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them; hence the requirement of compliance with the Provisions of Section 192 of the Act as per clause (xv) of the Order does not arise.
- xvi. The Company is not required to be registered under Sections 45-IA of the Reserve Bank of India Act, 1934. Therefore the provisions of clause (xvi) of the Order are not applicable to the Company.

II. As required by Sections 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statements of profit and loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity referred to in this report are in arrangement with the books of accounts;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of written representations received from the directors, as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31.1 to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There are no dues required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company for the year.

For DAGLIYA & CO
Chartered Accountants
(FRN 000671S)

Place: Bengaluru
Date: 15.06.2018

P MANOHARA GUPTA
Membership No.: 016444

ANNEXURE A - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF PARAMOUNT COSMETICS (INDIA) LIMITED

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls with reference to Ind AS financial statements of PARAMOUNT COSMETICS (INDIA) LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects,

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements include obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded 'as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition; use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For DAGLIYA & CO
Chartered Accountants
(FRN 000671S)

Place: Bengaluru
Date: 15.06.2018

P MANOHARA GUPTA
Membership No.: 016444

PARAMOUNT COSMETICS (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

(Rupees in Lakhs)

PARTICULARS	Note No.	As At 31st March, 2018	As At 31st March, 2017	As At 1st April, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	1,058.42	1,224.61	1,388.93
Capital Work in Progress	2	22.85	34.15	12.17
Other Intangible Assets	2	1,001.21	1,002.11	1,003.04
Financial assets				
- Investments	3	0.43	0.24	0.24
Deferred tax assets (Net)	4	46.72	64.73	25.89
Other non-current assets	5	93.54	91.54	88.41
		2,223.17	2,417.38	2,518.68
Current assets				
Inventories	6	1,718.89	1,646.37	1,676.28
Financial assets				
- Trade Receivables	7	13.96	284.41	1,074.87
- Cash and cash equivalents	8	49.97	27.32	28.60
- Bank Balances other than above	9	63.73	61.28	65.71
- Current loans and advances	10	594.62	594.91	595.17
Other current assets	11	89.58	104.39	144.90
		2,530.75	2,718.68	3,585.53
TOTAL ASSETS		4,753.92	5,136.06	6,104.21
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	12	485.50	485.50	485.50
Other equity	13	1,665.49	1,689.35	1,720.53
		2,150.99	2,174.85	2,206.03
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	14	683.23	830.76	1,071.61
Non-Current provisions	15	21.85	34.10	41.67
Other Non-Current Liabilities	16	24.00	-	-
		729.08	864.86	1,113.28
Current Liabilities				
Financial liabilities				
- Borrowings	17	1,160.48	1,061.75	1,046.14
- Trade payables	18	158.46	492.66	1,222.71
- Other Financial Liabilities	19	263.24	251.24	221.88
Other current liabilities	20	242.73	200.92	197.77
Provisions	21	39.67	43.15	32.62
Current Tax Liabilities (net)	22	9.27	46.63	63.78
		1,873.85	2,096.35	2,784.90
TOTAL EQUITY AND LIABILITIES		4,753.92	5,136.06	6,104.21

See accompanying notes to the financial statements 1 & 31

In terms of our report attached.
For DAGLIYA & CO
Chartered Accountants
FRN: 0671S

For and on behalf of Board
Paramount Cosmetics (India) Limited

Hiitesh Topiwaalla
Managing Director

Mukesh Kumar Tyagi
Director

P. MANOHARA GUPTA
Partner
Membership Number 016444

Date: 15.06.2018
Place: Bangalore

Hansraj Rathor
Chief Financial Officer

PARAMOUNT COSMETICS (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rupees in Lakhs)

	PARTICULARS	Note No.	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
I	Revenue from operations	23	2,098.03	3,485.31
II	Other income	24	35.53	6.67
III	Total Income		2,133.56	3,491.98
IV	Expenses			
	Cost of Material Consumed	25	510.36	1689.30
	Change in Inventories of Finished Goods	26	(83.98)	(42.13)
	Employee benefit expense	27	560.13	603.47
	Finance Cost	28	282.40	323.41
	Depreciation and amortization expense	2	171.54	214.30
	Other expenses	29	662.34	701.76
	Total expenses (IV)		2,102.79	3490.11
V	Profit/ (loss) before tax (III-IV)		30.77	1.87
	Exceptional Item			
	Profit/ (loss) before tax (III-IV)		30.77	1.87
VI	Tax expense			
	a) Current tax		9.98	47.01
	b) MAT Credit Entitlement			
	c) Deferred Tax (Charge)/ Credit		17.12	(42.39)
	d) Tax Adjustment for earlier years			6.61
			27.10	11.23
VII	Profit/ (loss) for the year (V-VI)		3.67	(9.36)
VIII	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss	30	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30	-	-
	B (i) Items that will be reclassified to profit or loss	30	3.44	10.94
	(ii) Income tax relating to items that will be reclassified to profit or loss	30	(0.89)	(3.55)
			2.55	7.39
IX	Total comprehensive income for the year			
	(Comprising Profit(Loss) and Other Comprehensive Income for the year)		6.22	(1.97)
X	Earnings per equity share			
	Basic and Diluted (Share of Rs 10/- each)		0.08	(0.19)

See accompanying notes to the financial statements 1 & 31

In terms of our report attached.
For DAGLIYA & CO
Chartered Accountants
FRN: 0671S

For and on behalf of Board
Paramount Cosmetics (India) Limited

P. MANOHARA GUPTA
Partner
Membership Number 016444

Hiitesh Topiwaalla
Managing Director

Mukesh Kumar Tyagi
Director

Date: 15.06.2018
Place: Bangalore

Hansraj Rathor
Chief Financial Officer

PARAMOUNT COSMETICS (INDIA) LIMITED
CASH FLOW STATEMENT

(Rupees in Lakhs)

PARTICULARS	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash flows from operating activities		
Net profit before tax	30.77	1.87
Adjustments for non-cash items:		
Depreciation and amortization	171.54	214.30
Interest income	(9.19)	(3.77)
Interest expenses	282.40	323.40
Provision for Doubtful Debts/ Bad Debts Written off	16.45	84.50
Profit on Sale of Fixed Assets	(0.13)	-
Sundry balances written back	-	(2.34)
Operating capital before working capital changes:	491.84	617.96
Changes in working capital		
Decrease / (Increase) in Inventories	(72.52)	29.91
Decrease / (Increase) in Trade receivable	254.00	708.31
Decrease / (Increase) in Other Bank balances	(2.45)	4.43
Decrease / (Increase) in Other current assets	15.10	40.78
Decrease / (Increase) in Other Non-current assets	(2.00)	(3.13)
Increase / (Decrease) in Trade payables	(334.20)	(730.06)
Increase / (Decrease) in Liabilities and provisions	76.82	46.41
Cash generated from / (used in) operations	426.59	714.61
Income taxes paid	(47.30)	(70.77)
Net cash generated by operating activities	379.28	643.84
Cash flows from investing activities		
Purchase of fixed assets	(4.58)	(71.03)
Sale of Fixed Assets	0.26	-
Investments made during the year	(0.19)	-
Interest received	9.19	3.77
Net cash from investing activities	4.68	(67.28)
Cash flows from financing activities		
Interest paid	(282.40)	(323.40)
Changes in current borrowings	98.73	15.62
Changes in non current borrowings	(147.53)	(240.84)
Dividend paid, including dividend distribution tax	(30.11)	(29.22)
Net cash used in from financing activities	(361.31)	(577.84)
Net changes in cash and cash equivalents	22.65	(1.28)
Cash and cash equivalents at the beginning of the year	27.32	28.60
Cash and cash equivalents at the end of the period	49.97	27.32

See accompanying notes to the financial statements

1 to 31

For and on behalf of Board

In terms of our report attached.

For DAGLIYA & CO

Chartered Accountants

FRN: 0671S

Paramount Cosmetics (India) Limited

Hiitesh Topiwaalla
Managing Director

Mukesh Kumar Tyagi
Director

P. MANOHARA GUPTA

Partner

Membership Number 016444

Date: 15.06.2018

Place: Bangalore

Hansraj Rathor

Chief Financial Officer

Statement of changes in equity for the year ended 31st March 2017

A Equity share capital

(Rupees in Lakhs)

	Opening balance as at 1 Apr 2016	Changes in equity share capital during the year	Closing balance as at 31 Mar 2017
Equity shares of Rs.10 each	485.50	-	485.50
	485.50		485.50

B Other Equity

(Rupees in Lakhs)

	Opening balance as at 1 Apr 2016	Changes in accountin g policy/ prior period errors	Restated balance as at 1 Apr 2016	Total comprehe nsive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)	Closing balance as at 31 Mar 2017
Equity Component of compound financial instruments	202.04	-	-	-	-	(17.01)	-	185.03
Share Premium Account	1,085.25	-	-	-	-	-	-	1,085.25
Capital Reserve	0.31	-	-	-	-	-	-	0.31
Retained Earnings	432.93	-	-	(9.36)	(29.22)	17.01	-	411.37
Other Comprehensive Income	-	-	-	7.39	-	-	-	7.39
Total Other Equity	1,720.53	-	-	(1.97)	(29.22)	-	-	1,689.35

Statement of changes in equity for the year ended 31st March 2018

A Equity share capital

(Rupees in Lakhs)

	Opening balance as at 1 Apr 2017	Changes in equity share capital during the year	Closing balance as at 31 Mar 2018
Equity shares of Rs.10 each	485.50	-	485.50
	485.50		485.50

B Other Equity

(Rupees in Lakhs)

	Opening balance as at 1 Apr 2017	Changes in accountin g policy/ prior period errors	Restated balance as at 1 Apr 2017	Total comprehe nsive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)	Closing balance as at 31 Mar 2018
Equity Component of compound financial instruments	185.03	-	-	-	-	-	-	185.03
Share Premium Account	1,085.25	-	-	-	-	-	-	1085.25
Capital Reserve	0.31	-	-	-	-	-	-	0.31
Retained Earnings	411.36	-	-	3.67	(30.08)	-	-	384.96
Other Comprehensive Income	7.39	-	-	2.55	-	-	-	9.94
Total Other Equity	1,689.35	-	-	6.22	(30.08)	-	-	1,665.49

PARAMOUNT COSMETICS (INDIA) LIMITED
Notes on accounts for the year ended 31st March 2018**Note 1****1. Company Overview:**

Paramount Cosmetics India Limited was incorporated in the year 1985 under the provisions of the Companies Act applicable in India. The Company is engaged into manufacture of cosmetics like Bindi, Kumkum, Kajal, and other products. The equity shares of the company are traded at the Bombay Stock Exchange.

The registered office of the Company is situated at A-1/2211, III Phase, GIDC, Vapi, Gujarat-396 195.

The Financial Statements are authorized for issue in accordance with the resolution of board of directors on June 15, 2018

2. Significant accounting policies:**2.1 Basis of preparation of financial statements**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first the company has prepared in accordance with Ind AS. Refer to Note 31.15 for information on how the Company adopted Ind AS. The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments)
- Defined Benefit and other Long term Employee Benefits,

The financial statements are presented in INR and all values are rounded to nearest Lakhs, except when otherwise indicated.

2.2 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.3 Revenue recognition

Sales are recognized when goods are supplied. Sales are net of trade discounts, rebates, returns, sales tax /VAT and Goods and Service Tax. Revenue in respect of other items is recognized when no significant uncertainty as to its determination or realization exists.

2.4 Property, Plant & Equipment (PPE)

Property, Plant & Equipment are stated at the cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition and construction of those PPE.

Depreciation on PPE is charged on a written down value basis over the useful life of assets as prescribed by Schedule II of Companies Act, 2013 as follows:

Asset Class	Useful life of asset
Building	30 Years
Plant & Equipment	15 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Office Equipment's	5 Years
Electric Installations	10 Years
Computer Equipment	3 Years
Factory Equipment	15 Years
Moulds	15 Years
Research and Development Equipment	15 Years

2.5 Intangible Assets

Intangible Assets are recognized at cost less any accumulated amortization and impairment losses if any. Acquired intangible assets are capitalized at acquisition price. Internally generated intangible assets are stated at cost that can be measured reliably during the development phase and when it is probable that future economic benefits that are attributable to the asset will flow to the Company.

Intangible Assets consisting of Trade Marks/Copy Rights etc having indefinitely useful life are not amortised.

Computer Software are amortized over a period of three years on written down value basis from date of Acquisition. Intangible assets having indefinite useful life are subject to impairment testing at each reporting date

2.6 Impairment

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent

cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

2.7 Foreign exchange transactions

Foreign exchange transactions are recorded at the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss.

2.8 Employee benefits

Gratuity and compensated absences, which are defined benefits, are accrued based on an actuarial valuation using the projected unit credit method at the balance sheet date, carried out by an independent actuary. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Contributions payable to the recognized provident fund, which is a defined contribution, are charged to the statement of profit and loss, on accrual basis. The Company has no further obligations under this plan beyond its monthly contributions.

2.9 Leases

Payment under operating leases are recognised in the statement of profit and loss on a straight line basis over the term of the lease.

2.10 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.11 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law applicable in the respective jurisdictions) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Current Income Tax and deferred taxes relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax and deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

33rd ANNUAL REPORT

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax in the future and the resultant asset can be measured reliably. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets the current (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and the deferred taxes relate to the same taxation authority.

2.12 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance in bank in current accounts and deposit accounts, with an initial maturity of less than three months.

2.14 Inventories

Raw Materials, Stores and Spares are valued at Cost and finished goods are valued at lower of Cost or Net Realizable Value. Cost of raw materials, stores & spares parts are ascertained on FIFO basis. Trading Goods are valued at cost.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non - cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated.

2.16 Government Grants

The company recognizes Government Grants only when there is a reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government Grants received in relation to assets are presented in the Balance Sheet by setting up the Grant as deferred income. Grants related to Income are shown separately in the statement of profit and loss.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in fair value. The Company makes such election on instrument to instrument basis. The classification is made on initial recognition and is irrevocable. Equity Instruments included within the FVTPL Category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss .

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company financial liabilities include trade and other payables

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Note 2

(Rs in Lakhs)

	Cost or Deemed cost				Accumulated depreciation and amortization				Net Carrying Value	
	As at	Additions	Deletions	As at	As at	Depreciation	Deletions	As at	As at	As at
Property, Plant & Equipment	1 st April 2016	During the year	During the year	31 st March 2017	1 st April 2016	Charge for the year	During the year	31 st March 2017	31 st March 2017	1 st April 2016
Tangible assets, owned										
Land	79.50	-	-	79.50	-	-	-	-	79.50	79.50
Building	659.79	7.69	-	667.48	-	63.46	-	63.46	604.02	659.79
Plant and equipment	411.54	35.94	-	447.48	-	79.32	-	79.32	368.16	411.54
Furniture and fixtures	108.03	0.81	-	108.84	-	28.96	-	28.96	79.88	108.03
Vehicles	26.98	-	-	26.98	-	12.02	-	12.02	14.96	26.98
Office Equipment	8.75	2.13	-	10.88	-	4.13	-	4.13	6.75	8.75
Electric Installations	73.46	-	-	73.46	-	19.05	-	19.05	54.41	73.46
Computer Equipment	2.10	1.18	-	3.28	-	1.72	-	1.72	1.56	2.10
Factory Equipment	2.65	-	-	2.65	-	0.60	-	0.60	2.05	2.65
Moulds	14.57	0.51	-	15.08	-	3.00	-	3.00	12.08	14.57
R & D Equipments	1.56	-	-	1.56	-	0.32	-	0.32	1.24	1.56
	1,388.93	48.26	-	1,437.19	-	212.58	-	212.58	1,224.61	1,388.93
Intangible assets, owned										
Computer software	3.04	0.79	-	3.83	-	1.72	-	1.72	2.11	3.04
Copyrights, patents and other IPR	1,000.00	-	-	1,000.00	-	-	-	-	1,000.00	1,000.00
	1,003.04	0.79	-	1,003.83	-	1.72	-	1.72	1,002.11	1,003.04
Capital Work in Progress	12.17	21.98	-	34.15	-	-	-	-	34.15	12.17
Total	2,404.14	71.03	-	2,475.17	-	214.30	-	214.30	2,260.87	2,404.14

Note 2

(Rs in Lakhs)

	Cost or Deemed cost				Accumulated depreciation and amortization				Net Carrying Value	
	As at	Additions	Deletions	As at	As at	Depreciation	Deletions	As at	As at	As at
Property, Plant & Equipment	1 st April 2017	During the year	During the year	31 st March 2018	1 st April 2017	Charge for the year	During the year	31 st March 2018	31 st March 2018	31 st March 2017
Tangible assets, owned										
Land	79.50	-	-	79.50	-	-	-	-	79.50	79.50
Building	667.48	-	-	667.48	63.46	57.96	-	121.42	546.06	604.02
Plant and equipment	447.48	2.95	-	450.43	79.32	67.29	-	146.61	303.82	368.16
Furniture and fixtures	108.84	-	-	108.84	28.96	21.24	-	50.20	58.64	79.88
Vehicles	26.98	-	0.13	26.85	12.02	2.41	-	14.43	12.42	14.96
Office Equipment	10.88	0.18	-	11.06	4.13	2.94	-	7.07	3.99	6.75
Electric Installations	73.46	-	-	73.46	19.05	14.10	-	33.15	40.31	54.41
Computer Equipment	3.28	1.45	-	4.73	1.72	1.52	-	3.24	1.49	1.56
Factory Equipment	2.65	-	-	2.65	0.60	0.46	-	1.06	1.59	2.05
Moulds	15.08	-	-	15.08	3.00	2.46	-	5.46	9.62	12.08
R & D Equipments	1.56	-	-	1.56	0.32	0.26	-	0.58	0.98	1.24
	1,437.19	4.58	0.13	1,441.64	212.58	170.64	-	383.22	1,058.42	1,224.61
Intangible assets, owned										
Computer software	3.83	-	-	3.83	1.72	0.90	-	2.62	1.21	2.11
Copyrights, patents and other IPR	1,000.00	-	-	1,000.00	-	-	-	-	1,000.00	1,000.00
	1,003.83	-	-	1,003.83	1.72	0.90	-	2.62	1,001.21	1,002.11
Capital Work in Progress	34.15	-	11.30	22.85	-	-	-	-	22.85	34.15
Total	2,475.17	4.58	11.43	2,468.32	214.30	171.54	-	385.84	2,082.48	2,260.87

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial Assets			
3 Investments			
Investments at fair value through profit or loss			
Investment in unquoted equity shares	0.19	-	-
- 9600 (Previous Year NIL) fully paid equity shares of Rs 2 each of Aiyon Innovations Pvt Ltd			
Total unquoted non trade investments in equity share of other companies	0.19	-	-
Investments at amortised cost			
Investment in Government Securities			
- NSC deposited with Daman Sales Tax Department	0.24	0.24	0.24
	0.24	0.24	0.24
	0.43	0.24	0.24
Aggregate book value of quoted investments	Nil	Nil	Nil
Aggregate Market value of quoted investments	Nil	Nil	Nil
Aggregate book value of unquoted investments	0.43	0.24	0.24
Aggregate amount of impairment in value of investments	Nil	Nil	Nil
4 Deferred tax asset (net)			
Deferred tax assets			
Related to Disallowances under section 43B and 40A(7)	12.36	27.43	21.61
Income Tax Act, 1961			
Related to Project, Plant and Equipments	15.18	9.89	4.28
Related to Provision for doubtful debts	19.18	27.41	-
	46.72	64.73	25.89
5 Other Non-Current Assets			
(Unsecured considered goods)			
Capital Advances	19.63	18.36	16.92
Advances other than capital advances			
-Deposits	17.28	17.12	16.43
-VAT Credits including sales tax deposits	56.63	56.06	55.06
	93.54	91.54	88.41
6 Inventories			
(At lower of cost and net realisable value)			
Raw Material	199.25	230.00	271.21
Packing Material	118.79	99.50	130.33
Finished Goods	1,400.85	1,316.87	1,274.74
	1,718.89	1,646.37	1,676.28
7 Trade receivables			
(At amortised Cost)			
Unsecured, considered good	13.96	284.41	1,074.87
Unsecured, considered doubtful	74.49	84.50	-
Less: Provision for doubtful debts	(74.49)	(84.50)	-
	13.96	284.41	1,074.87

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8 Cash and Cash Equivalents			
(At amortised Cost)			
Cash and cash equivalents			
Cash on hand	29.80	25.71	27.60
Balances with banks			
In current accounts	20.17	1.61	1.00
	49.97	27.32	28.60
9 Other bank balances			
(At amortised Cost)			
Fixed deposits with Banks LC Margin Money	41.38	41.80	48.24
Other Fixed deposits with Banks	5.76	5.34	5.76
in Unclaimed Dividend accounts	16.59	14.14	11.71
	63.73	61.28	65.71
10 Current Loans and Advances			
(At amortised Cost)			
Unsecured Considered Good			
Security Deposit with related parties	575.00	575.00	575.00
- Staff Advances	19.62	19.91	20.17
	594.62	594.91	595.17
11 Other Current Assets			
Advances other than capital advances			
Interest Accrued on Fixed Deposit	9.77	6.56	3.29
Prepaid expenses	25.85	28.86	35.16
Advances to suppliers / Travel Advance to employees	48.63	68.11	105.59
Others	5.33	0.86	0.86
	89.58	104.39	144.90
12 Share Capital			
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
50,00,000 (Prev. year : 50,00,000) Equity Shares of Rs.10/- each	500.00	500.00	500.00
	500.00	500.00	500.00
Issued			
48,87,150 (Prev. year : 48,871,500) Equity Shares of Rs.10 each	488.72	488.72	488.72
Subscribed			
48,56,650 (Prev. year : 48,566,500) Equity Shares Rs. 10 each fully paid	485.67	485.67	485.67
Paid up Equity shares			
48,55,000 (Prev. year : 48,55,000) Equity Shares of Rs.10 each fully paid	485.50	485.50	485.50
	485.50	485.50	485.50

(i) The reconciliation of number of shares outstanding and the amount of share capital is set out below:

Particulars	As At 31st March 2018		As At 31st March 2017		As At 1st April 2016	
	Number of shares	Amount (Rs. In Lakhs)	Number of shares	Amount (Rs. In Lakhs)	Number of shares	Amount (Rs. In Lakhs)
At the commencement of the year	4,855,000	485.50	4,855,000	485.50	4,855,000	485.50
Add: shares issued during the year						
At the end of the year	4,855,000	485.50	4,855,000	485.50	4,855,000	485.50

(ii) The rights, entitlement and obligations of different classes of equity shares are mentioned here under:

The Company has only one class of shares referred to as equity shares having a par value Rs 10. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. In the event of liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% shares of a class of shares:

Particulars	As At 31st March 2018		As At 31st March 2017		As At 1st April 2016	
	Number of shares	% of Total Share	Number of shares	% of Total Share	Number of shares	% of Total Share
Hiitesh Topiwaalla	25,60,640	52.8%	25,60,640	52.8%	25,60,640	52.8%
Paramount Kumkum Pvt Ltd	10,65,150	21.94%	10,65,150	21.94%	10,65,150	21.94%

(iv) There are no issuance of bonus shares or shares issued for consideration other than cash or buy-back of shares during the last five years ended 31 March 2018.

13 Other Equity

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Equity Component of compound financial instruments			
Opening Balance	185.03	202.04	202.04
Transactions (Net)		(17.01)	
Closing Balance	185.03	185.03	202.04
Share Premium Account			
Opening Balance	1,085.25	1,085.25	1,085.25
Closing Balance	1,085.25	1,085.25	1,085.25
Capital Reserve			
Opening Balance at the beginning of the year	0.31	0.31	0.31
Additions during the year	0.31	0.31	0.31
Retained Earnings			
Opening balance	411.37	432.93	353.18
Less: Depreciation charged due to reduction in useful life			
Add: Transfer from equity component of CFI		17.01	
Add: Net profit/(loss) for the year	3.67	(9.36)	79.75
Amount available for appropriation	415.04	440.58	432.93

Appropriations:

Interim dividend			
Tax on Interim Dividend			
Final dividend	24.28	24.28	
Tax on Final Dividend	4.97	4.93	
Tax on Dividend earlier years	0.83		
Transfer to General Reserve			
Closing balance	384.96	411.37	432.93

Other Comprehensive Income

Remeasurement Gains/(losses) on defined benefit plans			
Opening Balance	7.39		
Add or Less : Transactions during the year	2.55	7.39	
Closing Balance	9.49	7.39	
Total Other Equity	1,665.49	1,689.35	1,720.53

14 Non-Current borrowings

Secured Loan from Bank (Term Loan)	460.00	613.33	768.72
Unsecured Loans from related parties	50.76	45.26	180.39
Unsecured Other Loans from other parties	78.46	74.16	24.49
Deposits	94.01	98.01	98.01
	683.23	830.76	1,071.61

i. Cash Credit and term loan limits is secured by hypothecation of entire plant and machinery including all the assets created under expansion and all the current assets of the Company, equitable mortgage of land, industrial building and plot of the company at Dabhel and Vapi, office premises of associate company at Bangalore, personal guarantee of Managing Director of the Company and corporate guarantee of associate company. Term Loan is repayable in 71 EMIs of Rs 12.77 Lakhs, last EMI is payable on March 2022 Interest is payable @12.15% pa.

ii. Unsecured loans from related parties are interest free and are expected to be repaid after 31/03/2019

iii. Unsecured other loans from other parties are repayable in 36 EMIs, It consists of borrowing from 5 Parties rate of interest varies from 14% to 21%

iv. Vehicle term loan of Rs Nil (Previous Year 2.06) included under secured loan from Bank are secured against hypothecation of vehicles.

15 Non-Current Provisions

Provision for employee benefits			
Gratuity	21.28	34.10	41.67
Leave Encashment	0.57	-	
	21.85	34.10	41.67

16 Other Non-Current Liabilities

Defferred Income	24.00	-	-
	24.00	-	-

17 Current Borrowings
Secured Loans repayable on demand

Working Capital Loan from Bank - Cash Credit	1,137.77	1,061.75	1,046.14
Unsecured Loans from other parties	22.71	-	-
	1,160.48	1,061.75	1,046.14

18 Trade payables

Trade payables			
Due to micro and small enterprises	-	-	-
Other creditors	158.46	492.66	1,222.71
	158.46	492.66	1,222.71

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
19 Other current financial liabilities			
Current Maturities of long term debt	217.17	192.16	188.88
Unclaimed Dividend	16.59	14.14	11.71
Creditors for Capital Expenditure	29.48	44.94	21.29
	263.24	251.24	221.88
20 Other current liabilities			
Other statutory dues payable	43.86	45.90	34.59
Advances from customers	54.85	8.07	37.54
Other payable	144.02	146.95	125.64
	242.73	200.92	197.77
21 Short-term provisions			
Provision for employee benefits			
Bonus	16.95	37.67	32.62
Gratuity	21.82	5.48	-
Leave encashment	0.90	-	-
	39.67	43.15	32.62
22 Current Tax Liabilities (net)			
Provision for Income Tax	9.98	47.01	70.39
Less : Advance Income tax (Inc TDS receiveable)	0.71	0.38	6.61
	9.27	46.63	63.78
	For the year ended 31 March 2018	For the year ended 31 March 2017	
23 Revenue from operations			
Sales of Cosmetic Products	2,097.97	3,484.97	
Other Operating Revenue	0.06	0.34	
	2,098.03	3,485.31	
24 Other income			
Interest income	9.19	3.77	
Foreign exchange fluctuation gain	-	0.54	
Other Non Operating Income	26.34	2.36	
	35.53	6.67	
25 Cost of Material Consumed			
Cost of Material Consumed including packing material	510.36	1,689.30	
	510.36	1,689.30	
26 Changes in inventories of Finished Goods and Stock in Trade			
Inventory at the beginning of the year	1,316.87	1,274.74	
Inventory at the end of the year	1,400.85	1,316.87	
	(83.98)	(42.13)	
27 Employee benefits expense			
Salaries, wages, bonus and allowances	422.92	460.17	
Director Remuneration	106.22	110.88	
Contribution to provident fund and other funds	19.45	22.43	
Workmen and staff welfare expenses	11.54	9.99	
	560.13	603.47	

	For the year ended 31 March 2018	For the year ended 31 March 2017
28 Finance Cost		
Interest	258.54	281.42
Other borrowing Cost	18.36	20.07
Interest Component on compound financial instruments	5.50	21.92
	282.40	323.41
29 Other expenses		
- Manufacturing Expenses		
Consumable Stores and Spares	4.09	4.71
Labour Charges	115.93	74.09
Electric, Power and Fuel	12.29	14.31
Repairs to building	1.18	2.85
Repairs to Machinery	5.88	3.11
Machine Hire Charges	0.07	0.44
	139.44	99.51
- Selling and Distribution Expenses		
Sales Promotion Expenses	59.72	49.64
Commission	49.60	52.08
MES Expenses	94.40	91.01
Other advertisement, selling and distribution expenses	61.17	61.52
	264.89	254.25
- Establishment Expenses		
Rent (including rates & Taxes	38.20	42.86
Net loss / (Gain) on foreign currency transactions and translations	2.40	-
Traveling and conveyance	80.50	72.09
Legal and professional fees	21.95	43.67
Repairs and maintenance		
- Others	22.49	23.39
Insurance charges	7.28	14.11
Payment to Auditors	5.50	3.10
Postage and Telephone	22.31	19.23
Printing & Stationery	5.19	4.91
Sundry Balances Written off	16.45	-
Provision for doubtful debt	-	84.50
Miscellaneous expenses	35.74	40.14
	258.01	348.00
	662.34	701.76
30 Components of Other Comprehensive Income under Retained earnings		
A(i) Items that will not be reclassified to profit or loss		
Exchange difference on translation of foreign operations		
	Sub-total	
A(ii) Income Tax on A(i)		
	Sub-total	
B(i) Items that will be reclassified to profit or loss		
Remeasurement Gains/(losses) on defined benefit plans	3.44	10.94
	Sub-total	3.44
B(ii) Income Tax on B(i)	(0.89)	(3.55)
	Sub-total	(0.89)
	2.55	7.39

Note 31**Notes forming part of financial statements****(Amount in Lakhs unless otherwise stated)****1. Contingent Liabilities and Commitments****A. Contingent Liabilities not provided for**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Liability in respect of the sales tax matter in dispute with the Senior Joint Commissioner of Commercial Taxes, Kolkatta in respect of FY 2001-02 and 2002-03 contested in appeal.	34.97 *	34.97*	34.97*
Liability in respect of the sales tax matter in dispute with the commissioner of Commercial Taxes, Surat Gujarat in respect of FY 2005-06 contested in appeal.	NIL	576.40	576.40

*Against the above deposit paid under protest is Rs 14.85 (Previous Year Rs 14.85) included under other current assets.

B. Capital Commitment

The estimated amount of contract remaining to be executed on capital account (Net of Advance) and not provided for Rs 15.68 (Previous Year Rs 24.34)

2. Request for confirmation of balance were sent to Banks, Trade receivables and Trade creditors. Responses from some of the parties are yet to be received.

3. Dues to micro small and medium enterprise

Details of dues to micro and small and medium enterprises as defined under the MSMED Act 2006:

Particulars	31 st March 2018	31 st March 2017	1 st April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil	Nil
appointed day during the year) but without adding the interest specified under this Act	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil	Nil

4 Auditors' remuneration

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
- as audit fees	3.00	0.85
- tax Audit fees	1.00	0.60
- other certifications	1.50	1.65
Total	5.50	3.10

The above excludes GST and Service tax.

5 Operating lease

The Company has taken premises under operating leases, the lease rental expense recognized were as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease rental expenses	17.71	18.70

6 Employee benefits
A. Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan, The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense were as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to provident fund	13.10	15.50

B. Defined benefit plan
A. Gratuity

The Company has a defined benefit gratuity plan. Every employee who had completed five years or more of service is eligible to a gratuity on resignation / retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The following table sets out the status of the gratuity plan as required under Indian Accounting standard (Ind AS) 19 "Employee Benefits:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Movements in the present value of the defined benefit obligation through Statement of Profit and Loss:		
Service cost	7.17	10.62
Interest cost	2.67	1.96
Past Service Cost and loss/Gain on curtailment of service	0.24	-
Total	10.08	12.58
Benefits paid	-3.12	-3.73
Re-measurements of defined benefit liability in other comprehensive income		
Actuarial (gain)/loss from changes in financial assumptions	-0.77	-10.12
Actuarial (gain)/loss due to changes in experience adjustment	-2.66	-0.81
Total	-3.43	-10.93

Obligation as at

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of present value of obligation and fair Value of the plan asset		
Present value of the defined benefit obligations at the end of the year	43.10	39.58
Fair value of the plan assets at the end of the year	-	-
Liability recognized	43.10	39.58

Reconciliation of defined benefit obligation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Defined Benefit Obligation	39.58	25.14
Current Service Cost	7.17	10.62
Interest Cost	2.67	1.96
Caponents of actuarial gain / losses on obligations:		
Due to change in financial assumptions	-0.78	-10.12
Due to experience adjustment	-2.66	-0.81
Past Service Cost	0.24	
Benefit Paid	-3.12	-3.74
Prior Year Charge		16.53
Closing Defined Benefit Obligation	43.10	39.58

Principal actuarial assumptions in respect of gratuity

Principal assumptions	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.60%	7.25%
Weighted expected rate of salary increase	7.0%	7.0%
Retirement age	58	58
Attrition rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

Expected Cash Flow based on past service liability

Year	Cash flow	Distribution %
15.24		8.8
20.99		1.7
30.71		1.2
42.17		3.6
52.00		3.4
6 to 10	14.42	24.2

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Sl.No	Particulars	Liability *
1	DISCOUNT RATE +50 basis points	42.06
2	DISCOUNT RATE -50 basis points	44.22
3	SALARY GROWTH +50 basis points	44.20
4	SALARY GROWTH -50 basis points	42.07
5	ATTRITION RATE +10 basis points	43.07
6	ATTRITION RATE -10 basis points	43.13

*This amount is arrived at as possible change in liability with corresponding changes in parameter.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

b. Leave Encashment

The Company was hitherto recognizing leave encashment as short term employment benefit. During the year there has been a change in scheme of leave encashment for employees. Earlier the employee was entitled to 30 days of leave each year with accumulation upto 60 days encashable during the service or at the time of retirement. Now the employee is entitled to 18 days of leave each year with a cap of 36 days and encashable at the time of retirement only. Hence the company has obtained actuarial valuation for such benefit. Consequent to the above out of existing liability of Rs 16.91 as on 31st March 2017, Rs 15.45 has been reversed.

Total Liability recorded by the Company towards leave Encashment benefit was Rs 1.46 (Previous Year Rs 16.91)

Particulars	Year ended March 31, 2018
Service cost	1.46
Interest cost	Nil
Past Service Cost and loss/Gain on curtailment of service	Nil
Total	1.46

Obligation as at

Particulars	Year ended March 31, 2018
Present value of the defined benefit obligations at the end of the year	1.46
Fair value of the plan assets at the end of the year	-
Liability recognized	1.46

Principal assumptions	Year ended March 31, 2018
Discount rate	7.60%
Weighted expected rate of salary increase	7.0%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages
Leave Availment Rate	2% pa
Leave Encashment Rate	0% pa

Expected Cash Flow based on past service liability

Year	Cash flow	Distribution %
10.90		57.2
20.67		42.8
3Nil		
4Nil		
5Nil		
6 to 10Nil		

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Sl. No	Particulars	Liability *
1	DISCOUNT RATE +50 basis points	1.46
2	DISCOUNT RATE -50 basis points	1.47
3	SALARY GROWTH +50 basis points	1.47
4	SALARY GROWTH -50 basis points	1.46
5	WITHDRAWAL RATE +10 basis points	1.51
6	WITHDRAWAL RATE -10 basis points	1.42

7 Related party disclosures

Names of related parties and description of relationship:

S No	Name of the Related Party	Relationship
1	Hiitesh Topiwaalla – Managing Director	Key Managerial Person
2	Aartii Topiwaala - Director	Key Managerial Person
3	Shishir Desai – Independent Director	Key Managerial Person
4	V N Mehta– Independent Director	Key Managerial Person
5	M K Tyagi– Independent Director	Key Managerial Person
6	Paramount Kumkum Private Limited	Associate
7	Paramount Personal Care Private Limited	Associate
8	Parcos Brands Communication Private Limited	Associate
9	Parcos Brands Investment Pvt Ltd	Associate
10	Parcos Brands Private Limited	Associate
11	Aiyon Innovations Private Limited	Associate

Related party disclosures (continued)
A) Transactions with related parties: March 31, 2018

S No	Nature of Transaction	Year	Hiitesh Topiwaalla (KMP)	Aartii Topiwaala (KMP)	Paramount Kumkum Private Limited (Associate)
	Unsecured Loan Taken (Repaid)	2017-18	30.00		Nil
		2016-17	70.10		86.93
	Purchase of Goods	2017-18			12.44
		2016-17			24.01
	Sale of Goods	2017-18			17.48
		2016-17			Nil
	Remuneration *	2017-18	106.22		
		2016-17	110.87		
	Director Sitting Fees	2017-18		0.10	
		2016-17		0.20	
	Dividend Paid	2017-18	12.80	0.01	5.33
		2016-17	12.80	0.01	5.33

* sitting fee paid to independent directors Rs 0.50 (Previous year Rs 0.60)

B1) Amount outstanding as on March 31, 2018

S No	Nature of Balance	Year	Hiitesh Topiwaalla (KMP)	Aartii Topiwaala (KMP)	Paramount Kumkum Private Limited (Associate)	Parcos Brands Private Limited (Associate)
	Payable	2017-18	93.51	1.93	159.24	Nil
		2016-17	88.81	1.93	158.06	Nil
	Receivable		Nil	Nil	575.00	0.59
			Nil	Nil	575.00	0.59

8 Segment reporting

The Company is primarily engaged in a single business segment of manufacturing and marketing of cosmetics products and is managed as one entity for its various activities and is governed by a similar set of risk and return hence there are no reportable primary segments. Its principal geographical segment is India. The chief operating decision maker (CODM) is Managing Director

Sale by Market- The following is the distribution of the Company's sales by geographical market

Geographical Segment	2017-18	2016-17
India	2083.98	3277.24
Outside India	13.98	107.73

Carrying Amount of Segment Assets

Geographical Segment	2017-18	2016-17
India	4748.09	5103.31
Outside India	5.78	32.70

9 Financial instruments

(a) Capital Management

The Company manages its capital to ensure that it maximizes the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note-14 and 17 Rs 1843.72 and offset by cash and cash equivalents) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Board of Directors reviews the capital structure of the Company on annual basis.

As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

(b) Financial risk Management

(i) Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board of directors annually.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

(ii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates will result in financial loss.

The company activity exposes it primarily to the financial risk of change in foreign currency exchange rate for its export revenue. The company has not hedged that risk. The company mainly is exposed to the currency USD. Considering that export revenue is not material, the Company's exposure to market risk due to foreign exchange rates is not significant.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Foreign Currency exposure as on March 31, 2018

Particulars	Currency	Foreign currency	Amount in INR
Receivable against sale of goods	USD	0.08	5.37
Payable against purchase of goods	USD	0.02	1.28

Foreign Currency exposure as on March 31, 2017

Particulars	Currency	Foreign currency	Amount in INR
Receivable against sale of goods	USD	0.51	32.70
Payable against purchase of goods	USD	0.27	17.04

(i) Interest rate

The company has taken short term and long term borrowing facility at interest rate fixed annually therefore company is not exposed to significant interest rate risk.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity Risk			
Particulars	Weighted average interest rate (%)	Less than 1 month	1-3 months
Financial assets			
Trade receivables		-	13.96
Current Loan & Advances			594.62
Cash and cash equivalents		49.97	
Bank Balances other than above			63.73
Total		49.97	672.31
Financial liabilities			
Trade payables		-	158.22
Other Current Financial Liabilities			263.24
Short term borrowings	12.15%	-	1160.48
Total		-	1581.94

As at 31st March 2017

Particulars	Weighted average interest rate (%)	Less than 1 month	1-3 months
Financial assets			
Trade receivables		-	284.41
Current Loan & Advances		-	594.91
Cash and cash equivalents		27.31	0
Bank Balances other than above			61.28
Total		27.31	940.6
Financial liabilities			
Trade payables		-	492.66
Other Current Financial Liabilities			251.24
Short term borrowings	12.15%	-	1061.75
Total		-	1805.65

(iii) As the carrying amount of financial assets/liabilities is a reasonable approximation of fair value, disclosures of fair value is not provided.

10. Government Grants

Following Government Grants have been recognized in the statement of profit and loss during the year

S No.	Nature of Subsidy	Current Year	Previous Year
1	Amortized portion of State Govt Capital Subsidy on Investment in Plant & Machinery	6.00	Nil
2	LT Power subsidy by State Govt.	4.34	Nil
	Total	10.34	Nil

11. Break up of financial assets carried at amortised cost

	31st March 2018	31st March 2017	01st April 2016
Non Current Investments (Note 3)	0.43	0.24	0.24
Trade Receivables (Note 7)	13.96	284.41	1074.87
Cash & Cash Equivalents (Note 8)	49.97	27.32	28.60
Other Bank Balances (Note 9)	63.73	61.28	65.71
Other Current Financial Assets (Note 10)	594.62	594.91	595.17
Total Financial Assets carried at amortized cost	722.71	968.16	1764.59

Break up of financial liabilities carried at amortized cost

	31st March 2018	31st March 2017	01st April 2016
Non Current Borrowings (Note 14)	683.23	830.76	1071.61
Current Borrowings (Note 17)	1160.48	1061.75	1046.14
Trade Payables (Note 18)	158.46	492.66	1222.71
Other Financial Liabilities (Note 19)	263.24	251.24	221.88
Total Financial Liabilities carried at amortized cost	2265.41	2636.41	3562.34

12 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	31st March 2018	31st March 2017
Accounting Profit Before Income Tax	30.77	1.82
Add: Opening Adjustments as per Ind AS		103.12
Add: Depreciation/Amortisation Adjustment	28.44	43.66
Add/(Less): Adjustment for employee benefits / taxes allowed on payment basis under Income Tax	-18.55	-10.31
Less: Bad Debts Allowed	-10.00	Nil
Add: Penalty disallowed under Income Tax Act	5.81	Nil
Add: Interest on compound financial instruments disallowed under Income Tax Act	5.50	Nil
Less: Adjustment on account of treatment of Government Grants	-6.00	Nil
Profit as per Income Tax Act	35.97	138.31
At India's statutory income tax rate of 25% (31 st March 2017 30%) Plus surcharge and education cess	-9.26	47.01
Add: Interest on short/ late payment of advance tax	0.72	Nil
At the effective income tax rate of 32.26% (31 st March 2017 25.54.34%)	-9.98	47.01

13. Earnings Per Share

S No	Particulars	2017-18	2016-17
1	i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	3.67	(9.36)
2	ii) Weighted Average Number of Equity Shares used as denominator for Calculating EPS	4855000	4855000
3	iii) Basic and Diluted Earnings Per Share (In Rs.)	0.08	(0.19)
4	iv) Face Value per equity share (In Rs.)	10	10

14. Comparative Figures

The comparative figures have been re-grouped/reclassified wherever necessary to conform to the current period's presentation.

15. These financial statements for the period ended 31.03.2018, have been prepared in accordance with Ind AS. For the period up to and including the year ended 31.03.2017, the Company prepared the financial statements in accordance with accounting standards notified under section 133 of the companies Act, 2013 read together with paragraph 7 of the companies (accounts) Rules, 2014 (Indian GAAP).

This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 01.04.2016 and the financial statements as at the year ended 31.03.2017

Reconciliation of equity as at 1 April 2016 and 31st March 2017

	Notes	01st April 2016			31st March 2017		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
		INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Equity and liabilities							
Equity							
Equity share capital		485.50		485.50	485.50		485.50
Other equity							
Equity component of Compound Financial Instruments	5		202.04	202.04		185.03	185.03
Share premium		1,085.25		1,085.25	1,085.25		1,085.25
Treasury shares							
Retained earnings	1,2	830.98	(398.05)	432.93	866.21	(454.84)	411.37
Capita Reserve		0.31		0.31	0.31		0.31
OCI - Employee Benefits						7.39	7.39
Other reserve							
Equity attributable to equity holders of the parent		2,402.04	(196.01)	2,206.03	2,437.27	(262.42)	2,174.85
Non-controlling interests							
Total equity		2,402.04	(196.01)	2,206.03	2,437.27	(262.42)	2,174.85
Non-current liabilities							
Financial Liabilities							
Interest-bearing loans and borrowings	5	1,175.65	(104.04)	1,071.61	912.88	(82.12)	830.76
Other non-current financial liabilities		104.78	(104.78)	-	102.33	(102.33)	-
Long term provisions		29.11	12.56	41.67	39.58	(5.48)	34.10
Government grants							
Deferred revenue/Contract liability							
Net employee defined benefit liabilities							
Deferred tax liabilities							
Other liabilities							
		1,309.54	(196.26)	1,113.28	1,054.79	(189.93)	864.86

Current liabilities
Financial Liabilities

Interest-bearing loans and borrowings		1,046.14		1,046.14	1,061.75		1,061.75
Trade and other payables	2	1,197.75	24.96	1,222.71	470.15	22.51	492.66
Other current financial liabilities	1	448.00	(28.35)	419.65	480.55	(28.39)	452.16
Government grants							
Deferred revenue/ Contract liability							
Income tax payable							
Provision		103.01	(6.61)	96.40	84.68	5.10	89.78
		2,794.90	(10.00)	2,784.90	2,097.13	(0.78)	2,096.35

Liabilities directly associated with the assets classified as held for distribution

Total liabilities		4,104.44	(206.26)	3,898.18	3,151.92	(190.71)	2,961.21
Total equity and liabilities		6,506.48	(402.27)	6,104.21	5,589.19	(453.13)	5,136.06

Assets
Non-current assets

Property, plant and equipment		1,388.93		1,388.93	1,224.61		1,224.61
Investment properties							
Intangible assets		1,003.04		1,003.04	1,002.11		1,002.11
Capital Work in Progress		12.17		12.17	34.15		34.15
Non-Current Investment			0.24	0.24		0.24	0.24
Other non-current financial assets		158.57	(70.16)	88.41	125.31	(33.77)	91.54
Deferred tax assets		25.89	-	25.89	37.32	27.41	64.73
		2,588.60	(69.92)	2,518.68	2,423.50	(6.12)	2,417.38

Current assets

Inventories	2	2,072.80	(396.52)	1,676.28	2,042.89	(396.52)	1,646.37
Financial assets							
Trade and other receivables	2	1,039.18	35.69	1,074.87	368.91	(84.50)	284.41
Other current financial assets		711.58	28.49	740.07	665.28	34.02	699.30
Cash and short-term deposits		94.31	-	94.31	88.60	-	88.60
Prepayments							
		3,917.87	(332.34)	3,585.53	3,165.68	(447.00)	2,718.68

Assets classified as held for distribution

		3,917.87	(332.34)	3,585.53	3,165.68	(447.00)	2,718.68
Total assets		6,506.47	(402.26)	6,104.21	5,589.18	(453.12)	5,136.06

Reconciliation of profit or loss for the year ended 31st March 2017

Year ended 31st March 2017				
	Notes	Indian GAAP INR Lacs	Adjustments INR Lacs	Ind AS INR Lacs
Continuing operations				
Sale of goods		3,485.31		3,485.31
Rendering of services				
Rental income				
Revenue from operations		3,485.31		3,485.31
Other income		6.12	0.55	6.67
Total Revenue		3,491.43	0.55	3,491.98
Cost of raw material and components consumed		1,689.30		1,689.30
Increase or Decrease in Finished Goods and WIP	2	(42.13)		(42.13)
Employee benefits expense		605.09	(1.62)	603.47
Finance Cost		300.95	22.46	323.41
Depreciation and amortization expense		214.30		214.30
Other expenses		616.74	85.02	701.76
Total Expenses		3,384.25	105.86	3,490.11
Prior Period Expense		0.55	(0.55)	-
Profit before tax from continuing operations		106.63	(104.76)	1.87
(1) Current tax		47.01		47.01
(2) Adjustment of tax relating to earlier periods		6.61		6.61
(3) MAT Credit Entitlement				
(4) Deferred tax		(11.43)	(30.96)	(42.39)
Income tax expense		42.19	(30.96)	11.23
Profit for the year from continuing operations		64.44	(73.80)	(9.36)
Profit /(loss) for the year		64.44	(73.80)	(9.36)
Other comprehensive income				
(Other comprehensive income to be reclassified to profit or loss in subsequent period)				
Actuarial gains and losses on defined benefit plans			7.39	7.39
Income tax effect				
			7.39	7.39
Other comprehensive income for the year, net of tax			7.39	7.39
Total comprehensive income for the year, net of tax		64.44	(66.41)	(1.97)

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31st March 2017

1) Proposed Dividend

As per Indian GAAP, Proposed dividends shall be recognised as a liability in the books of accounts based in the period to which such dividends are related.

However as per Ind AS, Dividend provision/recognition shall be made the period in which it is declared.

2) Prior Period Errors

As per Ind AS material prior period errors are to be corrected retrospectively by restating the comparative amounts for the prior period presented in which the error occurred and if the error occurred before the earliest prior period presented the opening balances of assets, liabilities and equity for the earliest prior period are restated.

- a) Provision for slow moving items identified by the management amounting to Rs396.52 has been provided retrospectively as on 1st April 2016
- b) Provision for doubtful debts identified by the management Rs 84.49 during the financial year ended 31st March 2017 has been provided retrospectively
- c) Expenses amounting to Rs 34.71 omitted to be accounted prior to 1st April 2016 has been provided retrospectively

3) Remeasurements of Actuarial Valuation on Gratuity

In terms of Ind AS the re-measurement adjustments are to be accounted through Other Comprehensive Income, hence corresponding adjustments done in employee benefit expenses.

4) Correction in current and non-current portion of Gratuity Liability and Leave Encashment

Correction made in the current and non-current portion of gratuity and leave encashment liability as per actuarial valuation.

5) Equity Component of Compound Financial Instruments

For compound financial instruments that have both equity and liability component Ind AS 32 requires splitting the two component and separately recognising equity component of compound financial instrument as a part of other equity.

16. Exemptions Applied:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

Ind AS Optional Exemptions

- 1) In accordance with Ind AS 101 provisions relating to first time adoption, the Company has elected to consider the carrying value for all its Property, Plant and Equipment, Intangible Assets as their deemed cost as at the Opening Balance sheet as at April 01, 2016 under Ind AS.

Ind AS Mandatory Exemptions

- i) An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustment to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the time of transition as these were not required under previous GAAP
 - Investment in equity instruments carried at FVTPL
 - Impairment of Financial Assets based on expected credit loss model
- ii) De – Recognition of financial assets and liabilities
Ind AS 101 requires a first-time adopter to apply the de-recognition of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.
- iii) Classification of financial assets and liabilities
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Standards issued but not yet effective:**Ind AS 115, Revenue from Contracts with Customers**

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

Sales of goods

For the sale of goods, revenue is currently recognised when the goods are delivered, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. The revenue from these contracts will be recognised as the products are being manufactured.

The Company estimates there will no major impact of the adoption of Ind AS 115 on the financial statements.

In terms of our report attached.

For DAGLIYA & CO
Chartered Accountants
FRN: 0671S

For and on behalf of the Board of Directors

P. MANOHARA GUPTA
Partner
Membership Number 016444

Hiitesh Topiiwaalla	Mukesh Kumar Tyagi
Managing Director	Director

Date: 15.06.2018
Place: Bangalore

Hansraj Rathor
Chief Financial Officer

PARAMOUNT COSMETICS (I) LTD**CIN: L24240GJ1985PLC008282**

Regd. Office: 2211/A-1, III Phase, GIDC, Vapi- 396 195, Dist. Valsad, Gujarat

Tel: 91 80 25320870/71 Fax: +91 80 25599065;

Email: compliance.officer@paramount.com; website: www.paramount.com**ATTENDANCE SLIP**

Full name of the member attending:

Full name of the First Joint holder:

(To be filled in if first named joint-holder does not attend meeting)

Name of the Proxy:

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Thirty Third Annual General Meeting of the Company to be held at Via Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi- 396 195 on Friday, 28th September, 2018 at 11:00 a.m.

Registered Folio No:..... *DP ID No:.....

No. of shares held:..... *Client ID No:.....

.....
Signature of the Shareholder/ Proxy

Note: Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. Please carry a Copy of the Annual Report.

*Applicable for the members holding shares in electronic form.

PARAMOUNT COSMETICS (I) LTD

CIN: L24240GJ1985PLC008282

Regd. Office: 2211/A-1, III Phase, GIDC, Vapi- 396 195, Dist. Valsad, Gujarat

Tel: 91 80 25320870/71 Fax: +91 80 25599065;

Email: compliance.officer@paramount.com; website: www.paramount.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
E-mail id:	
Folio No./DP ID & Client Id*:	

*Applicable in case shares are held in electronic form

I/We, being the holder(s) of _____ shares of Paramount Cosmetics (I) Ltd, hereby appoint:

Name:	
Address:	
E-mail id:	or failing him:

Name:	
Address:	
E-mail id:	or failing him:

Name:	
Address:	
E-mail id:	or failing him:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Third Annual General Meeting of the Company, to be held on the 28th day of September, 2018 at 11:00 a.m. at Via Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi- 396 195 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Ordinary Business:	For	Against
1	Adoption of Financial Statements and Reports thereon for the financial year ended 31st March, 2018		
2	Appointment of M/s Dagliya & Co., Chartered Accountant as Statutory Auditor and fix their remuneration		
3	Appointment of Ms Aartii Topiwaala (DIN – 03487105) as a Director		

Signed this _____ day of 2018

**1 Rupee
Revenue
Stamp**

Signature of shareholder

Signature of Proxy holder(s)

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- 3) It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
- 4) A Proxy need not be a member of the Company.
- 5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK-POST

If Undelivered Please return to :
PARAMOUNT COSMETICS INDIA LIMITED

REGISTERED OFFICE
2211, A-1, III Phase, GIDC, Vapi- 396195
Dist. Valsad, Gujarat