



PARAMOUNT

Rising beyond imagination

PARAMOUNT COSMETICS (INDIA) LIMITED

THIRTY FIRST ANNUAL REPORT 2015-2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hiitesh Topiwaalla	-	Managing Director (DIN – 01603345)
Ms. Aartii Topiwaala	-	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

Mr. Hansraj Rathor

BANKERS

IDBI Bank Limited

STATUTORY AUDITORS

 M/s. S.S. Jain & Associates
Chartered Accountants,
Mumbai

REGISTERED OFFICE

 2211/A-1, III Phase, G.I.D.C. Vapi - 396 195
Dist. -Valsad, Gujarat
Email: compliance.officer@parammount.com
Website: www.parammount.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@parammount.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@bfsl.co.in
manager_rta@bfsl.co.in

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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 First Annual General Meeting** of the Members of Paramount Cosmetics (India) Limited will be held on Friday, the 30th day of September, 2016 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, 2016 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 declare Dividend on Equity Shares for the Financial Year 2015-16.
3. To appoint a Director in place of Ms. AartiiTopiwaala (DIN - 03487105), who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify the appointment of M/s. S.S. Jain & Associates, Chartered Accountants as Statutory Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s. S.S. Jain & Associates, Chartered Accountant as Statutory Auditor approved in the 29th Annual General Meeting until the conclusion of 34th Annual General Meeting, be and is hereby ratified in this Annual General Meeting till conclusion of next Annual General Meeting, with such remuneration as may be decided by the Board of Directors.”

SPECIAL BUSINESS:

5. To appoint Mr. Hiitesh Topiwaalla (DIN 01603345), Managing Director of the Company and to approve payment of remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with provisions of Section 196, 197 read with Schedule V and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 consent of Members of the Company be and is hereby accorded to re appointment of Mr Hiitesh Topiwaalla as Managing Director of the Company for three years w.e.f from 1st April 2017 and to fix the remuneration payable to Mr. Hiitesh Topiwaalla as Managing Director of the Company for a period of three years w.e.f 1.04.2017 to 31.03.2020 on the following terms and conditions

(A)	Salary	Rs. 63,00,000/- per annum
(B)	Perquisites, allowances	Rs. 37,00,000/- per annum
(C)	Commission	5% of the net profit of the Company

(D) OTHER BENEFITS

- (i) Earned /privilege leave: As per the rules of the Company.
- (ii) Contribution to Provident Fund, Superannuation fund or annuity fund as per the Company’s rules and applicable provisions of the relevant statutes. Gratuity payable should not exceed half month’s salary for each completed year of service subject to maximum prescribed limit.
- (iii) Use of Company’s car and telephone at residence for official purposes.

The valuation of perquisites shall be as per the provisions of the Income Tax Act, 1961, including any modification, amendment or re-enactment thereof from time to time.

- (E)** The Managing Director, so long as he functions as such, shall not be paid any sitting fee for attending meetings of the Board of Directors or any Committee(s) thereof.

(F) TERMINATION

The appointment of Managing Director may be terminated by either party by giving a notice in writing to the other party at least six calendar months before the date of termination. In the event of termination of appointment of Managing Director by the Company, he shall be entitled to receive compensation in accordance with provisions of Section 202 of Companies Act, 2013 and the Rules made there under for the time being in force.

(G) MINIMUM REMUNERATION IN CASE OF INADEQUACY OF PROFITS

The Remuneration payable to Mr. Hiitesh Topiiwaalla shall be subject to the provisions of Section 197 and 198 and Schedule V of the Companies Act, 2013 and the Rules framed there under for the time being in force.

If in any financial year during the tenure of his service, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Hiitesh Topiiwaalla, Managing Director, a minimum remuneration, not exceeding the higher of the limits under (A) and (B) below.

(A) Remuneration as approved by Central Government,

(B) Maximum remuneration permitted to be paid without the approval of the Central Government, in accordance with the provisions of Part II of Schedule V of the Companies Act, 2013, read with the Rules and regulations as may be applicable for the time being in force, subject to minimum remuneration as may be approved, if any, by Shareholders in General Meeting.

RESOLVED FURTHER THAT the detailed salary break up as enumerated above, may be interchanged/expanded as may be agreed by and between Mr. Hiitesh Topiiwaalla and the Company, within the overall remuneration limit of Rs. 100,00,000 per annum.

RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to make necessary applications to Central Government for obtaining approval as above, including accepting any modifications that may be proposed by the Central Government and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution including filing of necessary statutory forms with ROC”

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282
Place: Bangalore
Date: 30th August 2016

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

Hiitesh Topiiwaalla
Managing Director

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (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. The Dividend on equity shares as recommended by the Directors, if declared at the meeting, will be paid within the statutory period of 30 days from the date of declaration of dividend to those members whose names shall appear on the Company's Register of Members on September 23rd, 2016. In respect of shares held in dematerialized form, the Dividend will be paid to members whose names shall be furnished by National Security Depository Ltd. (NSDL) and Central Depository Services Ltd (CDSL) as beneficial owners as on the aforementioned date.
5. In accordance with the Companies Act, 2013, one-third of the directors who are liable to retire by rotation (except Mr. Hiitesh Topiwaalla, who has been re-appointed as the Managing Director for a term of three years effective from 1st April, 2014) 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.
6. 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.
7. 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
8. 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.
9. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 23rd September, 2016, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
10. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on Friday, 23rd September, 2016, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or compliance.officer@paramount.com.
11. 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 Saturday, 24th September, 2016 and will end at 5.00 p.m. on Tuesday, 27th September, 2016. The e-voting module shall be disabled by CDSL for voting thereafter.
12. 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.

13. The Company has appointed M/s G R & Associates, Practicing Company Secretary, 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 24th September, 2016 at 09.00 a.m. and ends on 27th September, 2016 at 05.00 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 23rd September, 2016, 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,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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) <ul style="list-style-type: none"> • 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. • 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. <ul style="list-style-type: none"> • 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 demataccounts, 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
Place: Bangalore
Date: 30th August 2016

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

Hiitesh Topiiwaala
Managing Director

Details of Director seeking re-appointment at forthcoming Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (LODR) Regulations 2015:

Particulars	Details
Name of the Director	Aartii Topiiwaala
Date of Birth	18.07.1972
Date of Appointment	31.03.2011
Brief Profile & Experience in specific functional areas	Rich experience of more than 21 years in the fashion industry
Qualification	Bachelor of Commerce
Shareholding in the Company	2600 Equity shares of Rs.10/- each
Relationship with Other Directors	Wife of Shri Hiitesh Topiiwaalla
List of other public Companies in which Directorships held as on March 31, 2016	NIL
List of Chairmanship/ Membership of the Committees of Board of Public Companies as on March 31, 2016	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

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolution at Item No. 5

Mr Hiitesh Topiiwaalla was appointed Managing Director and his term and approval of Central Government to pay remuneration in excess of amount specified in Schedule V of the Companies Act, 2013 expires on 31st March 2017.

The Board of Directors of the Company (the "Board"), at its meeting held on August 30, 2016 has, subject to the approval of the members, approved the appointment and revision in terms of remuneration to be paid to Mr. Hiitesh Topiiwaalla as Managing Director, for a period of three years effective from 1st April, 2017 to 31st March, 2020 as recommended by the Nomination and Remuneration Committee at its meeting held on August 30, 2016.

It is proposed to seek the members approval for appointment and the revision in terms of remuneration payable to Mr. Hiitesh Topiiwaalla as Managing Director in terms of the applicable provisions of the Act.

Broad particulars of the terms of remuneration payable to Mr. Hiitesh Topiwaalla are as per resolution set out at item no.5 of the Notice

INFORMATION IN PURSUANCE OF SECTION II OF PART II OF SCEHDULE V OF COMPANIES ACT, 2013 ARE AS BELOW:
1. General Information

(1) Nature of Industry	Manufacturing of Traditional Cosmetics
(2) Date of commercial production or expected date of commencement of commercial production	Commercial production has already commenced.
(3)In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4) Financial performance based on given indicators	(Rs. in crores) 2015-16
Gross Sales	49.34
Profit/(Loss) after Tax	0.79
Rate of Dividend	5%
Earning per Share (in Rs.)	1.64
(5) Export performance and net foreign exchange earnings	Foreign Exchange earned and used during financial year 2015-16:
(Rs. in Crores)	
Foreign exchange earned	0.11
Foreign Exchange used	1.18
Net Foreign Exchange Earning	(1.07)
(6) Foreign investments or collaborators, if any.	NIL

2. Information about the appointee:

Name	Mr. Hiitesh Topiwaalla
Age	45 years
Qualification	Bachelor of Commerce
No. of Equity Shares held in the Company	25,60,640
Expertise / Employment records	Mr. Hiitesh Topiwaalla was appointed as Director in the Company in 1991. He was then appointed as Managing Director of the Company w.e.f 01.08.2005. He was re-appointed in 2009. He has been re-appointed again in AGM 2013 and the same took effect from 1.4.2014. Mr. Topiwaalla brings with him rich experience in cosmetic industry, with his vision and leadership qualities he is preparing Paramount Group for the emerging competitive, globalised business environment and steer it to greater heights.
Other Directorships	1. Paramount KumKum Pvt. Ltd. 2. Paramount Personal Care Pvt. Ltd. . 3. Parcos Brands Investment Pvt. Ltd. 4. Parcos Brands Pvt. Ltd. 5. Parcos Brands Communication Pvt. Ltd.
Board Committees Memberships	Share Transfer Committee -Chairman
	Risk Management Committee
Background Details	Details given herein above.
(b) Past Remuneration	The remuneration drawn by Mr. Hiitesh Topiwaalla during the past five years is as follows:-

Year	Rs. In Lacs
2011-12	60.49
2012-13	83.71
2013-14	83.71
2014-15	88.27
2015-16	109.49
(c) Recognition or Awards	N.A
(d) Job Profile and his suitability	Mr. Hiitesh Topiwaalla is associated with Paramount Cosmetics India Ltd since 26 years and designated as Managing Director since 2005. He has rich and thorough knowledge in overall operations of company s business, products, processes, markets, competition, employee relations and has extensive knowledge of present state of affairs of the Company. His interests include developing new innovative products, new methods and approach across various operations towards standardization. He is the driving force of the Company in creating, cultivating and nurturing values for all stakeholders, customers, society and environment through continuous advanced innovation. His vast experience in FMCG sector of cosmetics industry has helped the Company grow considerably.
(e) Remuneration proposed	As As set out in the Notice at Item No. 5

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

Name of the Company	Designation	Financial year	Total remuneration p.a
HUL	Managing Director & CEO	2015-16	13.87crore
Godrej Consumer Products Ltd	Managing Director	2015-16	19.62 Crore
Dabur India ITd	Whole Time Director	2015-16	8.60 Crore
Emami Ltd	Executive Chairman	2015-16	5.52Crores
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.		Does not have any pecuniary relationship with the Company except remuneration drawn by him as Managing Director and as member to the extent of his shareholding in the Company. He is related to Ms. AartiiTopiwaala, Director.	

3. Other Information:

(a) Reasons of loss or inadequate profits	The Profit after Tax for the year ended 31st March 2016 was 79.74 Lakhs. Production in the shoologiri plant has been commenced therefore all expenses related to the Shoologiri Plant are charged to revenue. During initial years of start up of manufacture interest and depreciation are on higher side
(b) Steps taken or proposed to be taken for improvement	The Company has taken necessary steps to reduce cost and a new line of products will be introduced in market which will improve the turnover by additional production capacity from the new factory at Shoologiri.
(c) Expected increase in productivity and profits in measurable terms	Expansion of production capacity with innovative new products coupled with necessary cost control is expected to increase the profits.

4. Disclosures:

The shareholders are informed about the remuneration package of the managerial person in the resolution and explanatory statement above.

The following disclosures shall be mentioned in the Board of Director s report under the heading “Corporate Governance”, if any, attached to the annual report :

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same been issued at a discount as well as the period over which accrued and over which exercisable.

As per Schedule V, the proposed remuneration has to be approved by a Special Resolution.

The relatives of Mr. Hiitesh Topiwaalla may be deemed to be interested in the resolutions set out respectively at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Registered Office:
A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282
Place: Bangalore
Date: 30th August 2016

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

Hiitesh Topiwaalla
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31st Annual Report of your Company, together with the business operations for the year ended **31st March, 2016**.

FINANCIAL RESULTS

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

(Figures in Rs. lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sales and other Income	4,934.07	4,852.81
Profit before Depreciation, Interest, Exceptional Items, Extraordinary Items and Tax	699.36	509.09
Depreciation	252.84	79.79
Interest and Finance Charges	301.07	191.86
Exceptional Items and Extraordinary Items	1.18	00.15
Profit before Tax	144.25	237.29
Net Profit	79.74	173.56
Surplus	860.19	840.93
Appropriations	29.21	60.47
Balance carried forward to the Balance Sheet	830.97	780.46

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

PERFORMANCE DURING THE YEAR

Sales and other Income of the Company for the year is Rs. 4934.07 lakhs as compared to Rs. 4852.81 lakhs in the previous year, showing an increase of 1.69 %. PBDIT has shown an impressive increase of 37%. Profit after tax is Rs.79.74 lakhs which is 55% lower than the preceding year which stood at Rs. 173.56 lakhs due to charging of expenses related to Shoolagiri Plant to Revenue.

DIVIDEND

The Board of Directors are pleased to recommend a final dividend on Equity shares of Rs. 0.50/- per Equity share (i.e. at the rate of 5%), subject to approval by the Shareholders at the Annual General Meeting.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on 30thSeptember, 2016, will be paid to the Members whose names appear in the Register of Members, as on 23rdSeptember, 2016.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2016 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, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and rules made thereunder, Ms. AartiiTopiwaala would retire by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment.

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 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.

Details of Key Managerial Personnel

Following are the Details of Key Managerial Personnel who were appointed or have resigned during the Financial Year 2015-16:

Name of KMPs	Designation	Date of Appointment	Date of Cessation
Anurag Srivastava	Company Secretary	30 th May 2015	12 th December 2015

BOARD COMMITTEES

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

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Share Transfer Committee
- d) 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

M/s. S.S. Jain & Associates, Chartered Accountant, Statutory Auditor of the Company, hold office till the conclusion of the 34th Annual General Meeting subject to the ratification in the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-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 AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. G.R. & Associates, a firm of Company Secretaries (C P No.6526) 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.

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. G.R. & 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.

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 2015-16 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) **Extract of the Annual Return**
The extract of the Annual Return in Form MGT 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an **Annexure 2** to this Report.
- 4) **Number of Meetings of the Board**
The details of the number of meetings of the Board held during the financial year 2015-16 forms part of the Corporate Governance Report.
- 5) **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.
- 6) **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.
- 7) **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 3** to this Report.
- 8) **The amounts which it proposes to carry to any reserves**
NIL
- 9) **The amount which it recommends should be paid by way of Dividend**
Rs.24,27,500/- (Rupees Twenty Four Lakhs Twenty Seven Thousand Five Hundred Only)
- 10) **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
- 11) **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 4** 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
Place: Bangalore
Date: 30th August 2016

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

Hiitesh Topiwaalla
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;	77.67 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;	11%	
(iv) the number of permanent employees on the rolls of company;	223	
(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)	
	31.03.2016	31.03.2015
Market Cap	1660.41	1640.99
(In Rs.)		
PE	9.49	9.47
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 31 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;	10.68%	
(vii) affirmation that the remuneration is as per the remuneration policy of the company.	Yes	

1) 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 Topiiwaalla
Designation	Managing Director
Remuneration Received	Rs. 1,09,49,996/-
Nature of Employment (Contractual/ Otherwise)	Employment
Qualification	B.Com
Experience	26 Years
Date of Commencement of Employment	01.08.2005
Age	44 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. AartiiTopiwaala

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 31.03.2015**

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

I 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 M/s PARAMOUNT COSMETICS (INDIA) LIMITED '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 2016, 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:

I 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 2016, according to the provisions of :

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 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;(Not applicable to this company for the reporting period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable :-
 - 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 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;(not applicable)

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE and the 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

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

I, further, report that the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, committees and 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 the agenda item before the meeting and for meaningful participation at the meeting.

I, 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.

FOR G. R. & ASSOCIATES

Sd/-

RAJENDRAN)

FCS : 3006

C P NO: 6526

Place : Bangalore

Date : 30th August, 2016

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	L24240GJ1985PLC008282
ii. Registration Date	20th November, 1985
iii. Name of the Company	Paramount Cosmetics (India) Limited
iv. Category/Sub-Category of the Company	Public Company / Limited by shares
v. Address of the Registered Office and Contact Details	A-1/2211, III Phase, G.I.D.C., Vapi, Gujarat - 396 195
i. Whether listed Company	Yes/No
i. Name, Address and Contact details of Registrar and Transfer Agent, if any	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/ Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacturing of Cosmetic Products	2023	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Paramount KumKum Private Limited	U24246MH1983PTC029446	Associate	100% by Promoters of the Company	2(6)
2	Paramount Personal Care Private Limited	U24200MH1982PTC027855	Associate	100% by Promoters of the Company	2(6)
3	Parcos Brands Communication Private Limited	U74900KA2011PTC059674	Associate	100% by Promoters of the Company	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	2563230	10	2563240	52.80	2563230	10	2563240	52.80	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	628900	436250	1065150	21.94	1065150	-	1065150	21.94	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	3192130	436260	3628390	74.74	3628380	10	3628390	74.74	0
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total Public Share holding (A)=(A)(1)+ (A)(2)	3192130	436260	3628390	74.74	3628380	10	3628390	74.74	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	0	2100	2100	0.04	0	2100	2100	0.04	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	0	2100	2100	0.04	0	2100	2100	0.04	0
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	9843	14064	23907	0.49	14744	14064	28808	0.59	0.10
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	309635	826997	1136632	23.41	326221	826997	806447	23.33	-0.08
c) Others(Specify) Clearing Members/NRIs/OCBs	189	0	189	0.00	25.0	0	25	0.00	0.00
	1955	8519	10474	0.22	311	8519	8830	0.18	-0.04
Sub-total(B)(2)	362430	862080	1224510	25.22	382980	864180	1224510	25.22	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	362430	864180	1226610	25.26	382980	864180	1226610	25.26	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total(A+B+C)	3554560	1300440	4855000	100	4011360	843640	4855000	100	0.00

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged /	
1.	Mr. Hiitesh Topiwaalla	2560640	52.75	NIL	2560640	52.75	NIL	NIL
2.	Ms. AartiiTopiwaala	2600	00.05	NIL	2600	00.05	NIL	NIL
3.	M/s Paramount Personal Care Private Limited	0	0	NIL	0	0	NIL	NIL
4.	M/s Paramount KumKum Private Limited	1065150	21.94	NIL	1065150	21.94	NIL	NIL
	Total	3628390	74.74	NIL	3628390	74.74	NIL	NIL

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	36,28,390	74.74	-	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the End of the year	36,28,390	74.74	-	-

Note: There is no change in the total shareholding of promoters between 01-04-2015 to 31-03-2016

IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1987.21	340.43	NIL	2327.64
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
Total (i+ii+iii)	1987.21	340.43	NIL	2327.64
Change in Indebtedness during the financial year				
- Addition	16.52	66.48	NIL	83.00
- Reduction	-	-	NIL	-
Net Change	16.52	66.48	NIL	83.00
Indebtedness at the end of the financial year				
i) Principal Amount	2003.73	406.91	NIL	2410.64
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	-	NIL	-
Total (i+ii+iii)	2003.73	406.91	NIL	2410.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Hiitesh Topiiwaalla	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	99.69	99.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission- as % of profit- others, specify...	9.81 5%	9.81
5	Others, Please Specify	-	-
	Total (A)	109.50	109.50
	Ceiling as per the Act	The Central Government had approved the Remuneration of Rs. 1,00,00,000/- and commission @ 5 % of net profit to Mr. Hiitesh Topiiwaalla for the period from 01.04.2015 to 30.04.2016.	

B. Remuneration to other Directors

(Rs. In Lakhs)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Aartii Topiiwaalla	V.N. Mehta	Shishir B. Desai	Mukesh Tyagi	
1	Independent Directors					
	Fee for attending Board /Committee meetings	-	0.20	0.20	0.20	0.60
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(1)	-	0.20	0.20	0.20	0.60
2	Other Non-Executive Directors					
	Fee for attending Board/ Committee Meetings	0.20	-	-	-	0.20
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(2)	0.20	-	-	-	0.20
	Total(B)=(1+2)	0.20	0.20	0.20	0.20	0.80
	Total Managerial Remuneration*	110.30				
	Overall Ceiling as per the Act**	N.A.				

* Total remuneration to Managing Director and other Directors (being the total of A and B).

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration			
		Company Secretary	CFO	
		Anurag Srivastava	Hansraj Rathor	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.04	13.82	18.86
	(b) Value of perquisites u/s 17(2) Income-tax	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission- as % of profit- Others, specify	-	-	-
5	Others, Please Specify			
	Telephone	0.17	0.60	0.77
	Car	-	1.80	1.80
	Fuel	0.42	1.20	1.62
	Bonus	0.07	0.10	0.17
	LTA	0.07	0.20	0.27
	Total	5.77	17.72	23.49

I. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description fees Imposed	Details of Penalty /Punishment / Compounding	Authority	Appeal made, If any (give details)
A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. Other Officers In Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Form AO-C-2

Annexure - III

(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

Form No. AOC-2
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 KumKumPrivate Limited
(b)	Nature of contracts/ arrangements/ transactions	Sale/Purchas
(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

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Place: Bangalore
Date: 30th August 2016

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

**Hiitesh Topiwaalla
Managing Director**

ANNEXURE - 4

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 equipment's	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	10,65,587
Foreign Exchange outgo during the year in terms of actual outflows	NIL

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**Hiitesh Topiwaalla
Managing Director**

MANAGEMENT DISCUSSION & ANALYSIS REPORT 2016

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

India's retail beauty and cosmetics industry is likely to be \$2.68 billion by 2020. Annual growth in the Indian beauty and cosmetics markets is estimated to remain in the range of 15-20 percent in the coming years, twice as fast as that of the US and European markets. Awareness in India of the latest global beauty trends and the numbers are prompting more international players to set up shop and increase their presence in India.

Over the last five years, cosmetics products have seen a growth of 60 percent. Skin care cosmetics have experienced a relatively slower growth and products such as anti-wrinkle creams, cleansers and toners are not as popular as facial creams, moisturisers and fairness creams in this genre.

DEVELOPMENTS IN THE COMPANY DURING THE CURRENT YEAR

The company commenced the production at the pristine greenfield project last year. A wide range of new products are produced at the new project.

The NEW PRODUCTS as well as our existing range of products were 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. 4,908.17 lakhs as against Rs. 4,836.05 lakhs in the previous year, showing a growth of 1.49% over the previous year.

2) Material Cost

The material cost for the year was Rs. 3200.83 lakhs as against Rs. 3362.85 lakhs in the previous year. The material cost as to percentage to sales has reduced by 4.82%.

3) Employment Cost

The expenses pertaining to employment costs have increased from Rs. 499.82 lakhs in the previous year to Rs. 580.98 lakhs showing an increase of 16.23% on account of charging cost related to newly set up plant to Revenue

4) Operational and Other Expenses

During the year under review, the operational and other expenses, as compared to the previous year, have decreased by 2.65% i.e. from Rs. 699.73 lakhs to Rs. 681.21 lakhs.

5) Finance Cost

The interest paid has increased from Rs. 191.86 lakhs in the previous year to 302.60 lakhs in the current year due to charging of interest on Term Loan to Revenue..

6) Depreciation

The depreciation for the year was Rs. 252.84 lakhs as against Rs. 79.79 lakhs in the previous due to fact that depreciation for the new plant is charged to Revenue from this year.

7) Profit Before Tax

Profit before tax (PBT) stood at Rs. 145.45 lakhs as against Rs. 237.29 lakhs in the previous year, showing a decrease of 38.70%. The decrease in the PBT was mainly due to an increase in interest and depreciation expenses..

8) Profit After Tax

Profit after tax (PAT) stood at Rs. 79.75 lakhs as against Rs173.56lakhs in the previous year, showing decrease of 54.057% due to increase in interest and depreciation expenses.

OPPORTUNITIES

The Cosmetics market is especially rich in opportunities since most products still have low penetration rates among the population. For instance, only 23% of households use skin care products. There is vast potential of growth.

As per a research findings, cosmetics market, once female dominated, has started earning high revenues from male counterparts as well, by catering to male-specific needs especially in creams and lotions. The revenue generated through male cosmetic market has increased the total revenue of Indian cosmetic industry

Your company intends to increase its presence in male cosmetic market as well.

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.

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**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, 2016 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, 2016, 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, 2016 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	As Chairman	As Director	As Chairman	As Member
			Held	Attended					
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	4	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 31stMarch, 2016 on 12thFebruary, 2016 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 2015-16, the Board of Directors met Four (4) times on the following dates:

- a) 30.05.2015
- b) 10.08.2015
- c) 12.11.2015
- d) 12.02.2016

The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49 of the Listing Agreement.

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. AartiiTopiwaala, Director 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. AartiiTopiwaala, Director who is proposed to be re-appointed, 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, 2016.

**Registered Office:
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**A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282
Place: Bangalore
Date: 30th August 2016**

**Hiitesh Topiwaalla
Managing Director**

III. BOARD COMMITTEES
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, 2016, the Audit Committee comprises of:

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

Meetings:

During the Financial Year 2015-16, the Audit Committee met four times. The details of meeting and attendance are given on Page no. 29 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 30th May, 2016 reviewed the Annual Accounts for the period ended 31st March, 2016.

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, shareholders (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. AartiTopiwaala	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

One meeting of the Nomination and Remuneration Committee were held during the year. The details of meeting and attendance are given on Page no. 35 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. 29 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	Chairman	Independent Director
Mr. Mukesh Kumar Tyagi	Member	Independent Director
Ms. AartiiTopiwaala	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. 29 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 2016:

Opening Balance	Received during the financial year	Resolved during the financial year	Closing Balance
NIL	2	2	NIL

Pending Share Transfers

No requests for Transfer and / or Dematerialisation were pending for redressal as on 31st March, 2016.

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	1	4	20	1
Name of the Directors					
Mr. Hiitesh Topiwaalla	-	-	-	20	1
Ms. Aartii Topiwaala	4	1	4	20	-
Mr. V.N. Mehta	4	1	4	20	1
Mr. Shishir B Desai	-	-	-	-	-
Mr. Mukesh Kumar Tyagi	4	1	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 -

- a) Compliance with Laws, rules & regulations
- b) Conflict of Interest
- c) Reporting standards
- d) Competition and fair dealing
- e) Whistle blower policy
- f) Policy against retaliation
- g) Compliance with code
- h) 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) Overseeing 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, 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. 80,000/- (Rupees Eighty Thousand only).

Further, the remuneration paid/payable to Mr. Hiitesh Topiiwaalla, Managing Director of the Company for the

financial year ended 31.03.2016 are as follows:

Per Annum(In Rs.)	
Particular	Amount
Basic Salary	99,69,163
Allowances & Perquisites commission	nil 9,80,833
Total	1,09,49,996

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, 2016:

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. AartiiTopiwaala	2,600	0.0535%
Mr. Mukesh Kumar Tyagi	Nil	Nil

VIII. CEO/CFO CERTIFICATION

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

1. We have reviewed financial statements and the cash flow statement of Paramount Cosmetics (India) Limited for the year ended 31stMarch, 2016 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
2. 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.
3. 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.
4. We have indicated to the Auditors and the Audit Committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year; and
 - (iii) 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: 30th August, 2016

IX. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

CIN:L24240GJ1985PLC008282

To
The Members,
M/s PARAMOUNT COSMETICS (INDIA) LIMITED
2211/A-1, 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, 2016, 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 the Clause 49 of the above mentioned Listing Agreement and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

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

FOR G. R. & ASSOCIATES

Sd/-

(G. RAJENDRAN)**FCS : 3006****C P NO: 6526****Place: Bangalore****Date: 30th August, 2016**

X. GENERAL BODY MEETING

The details of the Annual General Meetings held during last three year immediately before March 31, 2016 is given in Table below:

Year	Date	Venue	Time	No. of Special Resolutions Passed at AGM
2014-15	September 30, 2015	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195	11.00 a.m.	Two
2013-14	September 30, 2014	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195	11.00 a.m.	One
2012-13	September 30, 2013	2211, A-1, GIDC Vapi-396 195, Dist-Valsad, Gujarat	11.00 a.m.	One

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 2015-16, 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 2015-16, 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, 2016
2010-11	Final Dividend	5%	30/09/2011	04/11/2018	1,90,491/-
2011-12	Final Dividend	5%	29/09/2012	03/11/2019	2,23,976/-
2012-13	Final Dividend	6%	30/09/2013	04/11/2020	2,34,790/-
2013-14	Final Dividend	6%	30/09/2014	04/11/2021	2,54,521/-
2014-15	Final Dividend	6%	30/09/2015	04/11/2022	2,67,023/-

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 30, 2016

Time : 11:00 a.m.

Venue : VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi- 396 195, Gujarat

2. FINANCIAL YEAR: 01stApril, 2015 to 31stMarch, 2016
3. DATE OF BOOK CLOSURE:

24thSeptember, 2016 to 30thSeptember, 2016 (both days inclusive) fixed for the purpose of payment of Dividend for the year 2015-2016.

4. DIVIDEND PAYMENT DATE:

The Board of Directors of the Company have decided to recommend dividend @ 0.50 paise per share (being 5% of the nominal value of Rs.10 per share) (Proposed) for the financial year 2015-16, subject to the approval of the shareholders in the forthcoming AGM.

- (i) The dividend, if declared at the Annual General Meeting, would be paid/dispatched within 30 days from the date of declaration at the ensuing Annual General Meeting to those persons or their mandates:-
 - a) Whose names appear as Beneficial Owners as at the end of the business hours on 23rdSeptember, 2016 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - b) Whose names appear as Member in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 23rdSeptember, 2016.
- (ii) The dividend amount shall be credited in the shareholders bank account directly through NECS. Alternatively Physical Warrant / Demand Draft shall be posted to the shareholders at their registered address available with the Depository/ Registrar and Share Transfer Agent.

5. 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

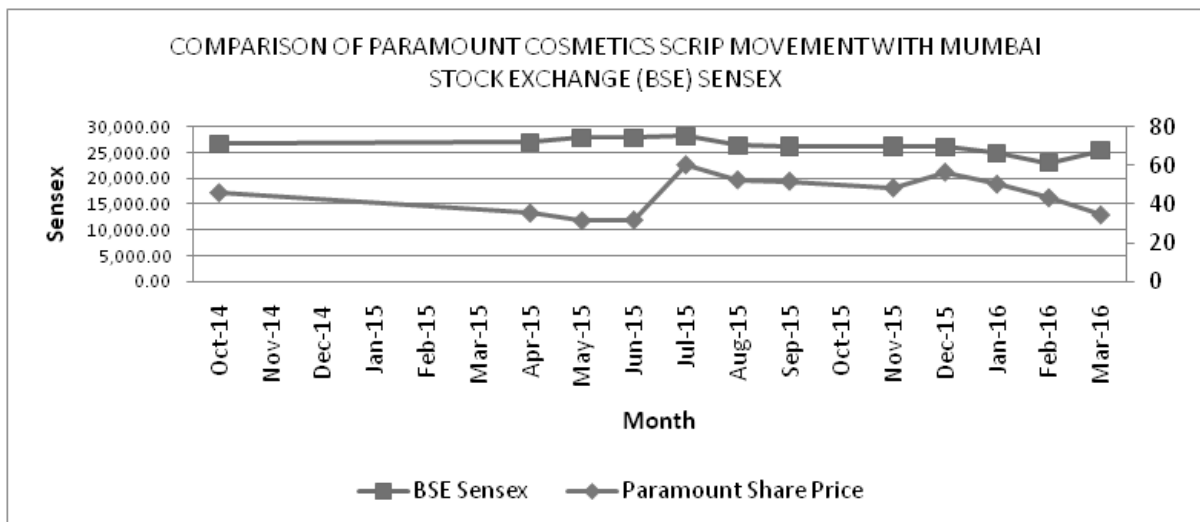
Listing fee: The Company is up-to-date on the payment of Annual Listing Fee.

6. MARKET PRICE DATA:

High and Low prices during each month of Financial Year 2015- 2016 on Bombay Stock Exchange Limited are as under:

Month	High Price	Low Price	Close Price	Volume (No. of Shares)
Apr-15	40.95	31.95	35.15	5723
May-15	39.4	30.75	31.25	1436
Jun-15	36.35	29.45	31.6	8263
Jul-15	61.2	32.25	59.95	16217
Aug-15	61	52.2	52.2	2025
Sep-15	51.6	37.65	51.5	2483
Oct-15	53.95	41.6	45.6	6662
Nov-15	51.8	40	48.1	10688
Dec-15	56.6	45.3	56.15	19558
Jan-16	61.6	42.5	50	6499
Feb-16	51.3	41.8	43	2969
Mar-16	45.5	34.2	34.2	2989

(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@bfsl.co.in; manager_rta@bfsl.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 31STMARCH, 2016:

Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
01-500	7258	97.04	9,27,134	19.10
01-500	7258	97.04	9,27,134	19.10
501-1000	155	2.07	1,12,209	2.31
1001-2000	42	0.56	61,184	1.26
2001-3000	8	0.11	20,531	0.42
3001-4000	2	0.03	7,400	0.15
4001-5000	3	0.04	12,897	0.27
5001-10000	5	0.07	33,686	0.69
10001-50000	3	0.04	54,179	1.12
50001 and above	3	0.04	36,25,780	74.68
Total	7479	100.00	48,55,000	100.00

Shareholding Pattern as on 31st March, 2016

Category	No. Of Shares Held	Percentage of Shareholding
Promoters	36,28,390	74.74
Financial Institutions / Banks	2,100	00.04
Bodies Corporate	28,808	00.59
Mutual Funds and Unit Trust of India	0	00.00
Others	11,95,702	24.63
Total	48,55,000	100.00

10. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31STMARCH, 2016:

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).

40,11,360 Ordinary Shares of the Company representing 82.62% of the Company's share capital is dematerialized as on 31stMarch, 2016.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 143101013.

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

12. ADDRESS FOR CORRESPONDENCE:

Paramount Cosmetics (India) Limited

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

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

Investors Relation Centers

Corporate Office:	Paramount Cosmetics (India) Limited902-904, 9th Floor, Prestige Meridian – INo. 29, M.G. Road, Bangalore – 560 001Phone: +91 080 2532 0870 / 71 Email: compliance.officer@parammount.com
Registered Office:	Paramount Cosmetics (India) LimitedA-1/2211, III Phase, G.I.D.C. Vapi- 396195Gujarat Email: compliance.officer@parammount.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 FY. 2015-16
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

A-1/2211, III Phase, G I D C,
Vapi, Gujarat-396195
CIN: L24240GJ1985PLC008282
Place: Bangalore
Date: 30th August 2016

Registered Office:
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
Report on the Financial Statements**

We have audited the accompanying financial statements of **Paramount Cosmetics (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for the ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016
- b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to the "Order"), we give in the Annexure Ba statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by section 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 it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act as applicable.
 - e. On the basis of written representations received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - 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), 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,
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts.

**For S.S. Jain & Associates
Chartered Accountants
Firm Registration No. 103970W**

**S. K. Jain
Proprietor
Membership Number: 038664**

Place : Bangalore

Dated : 30thMay,2016

“Annexure A” to the Independent Auditors’ Report

We have audited the internal financial controls over financial reporting of PCIL Ltd (“the Company”) as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statement 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 over financial reporting 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 issued by the Institute of Chartered Accountants of India (ICAI). 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed 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 over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting needs to be further strengthened to operate as per procedure as at March 31, 2016, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

**For S.S. Jain & Associates
Chartered Accountants
Firm Registration No. 103970W**

**S. K. Jain
Proprietor
Membership Number: 038664**

Place : Bangalore

Dated : 30thMay,2016

“Annexure B” to the Independent Auditors’ Report

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal & Regulatory Requirements of the Auditors’ Report to the members of **Paramount Cosmetics (India) Limited**(‘the Company’) on financial statements for the year ended 31st March, 2016. We report that:

1. In respect of its Fixed Assets:

- (a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets up to 31st March 2015. Updating of records for the year is under compilation
 - (b) The Company has a phased programme of physical verification of its fixed assets. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification during the year.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising land and buildings which are held in the name of the Company as at the balance sheet date.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
 3. The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
 4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 5. The Company has not accepted deposits during the year within the meaning of section 73 to section 76 of the Companies Act 2013 and the Companies [Acceptance of Deposit] Rules 2014 [as amended]
 6. As informed to us the company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Act.
 7. According to the information and explanations given to us, in respect of statutory dues
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including, Employees State Insurance, Income tax, Sales tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and any other statutory dues with appropriate authorities.

- (b) The particulars of dues in respect of provident Fund, Employee State Insurance Fund, Income Tax, Sales Tax, Service Tax, , Duty of Customs, Duty of Excise cess, became payable for a period of more than 6 months as on 31st March 2016 which have not been deposited on Account of a dispute are as follows :

Sr No.	Name of the Statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Gujrat Sales Tax Sales tax Dept.	Vat Dues	576.40	2005-06	Commissioner- Commercial Taxes Surat, Gujarat

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks.
9. According to the information and explanation given to us, the company has not raised moneys by way of initial public offer or further public offer or term loans and hence reporting under clause 3(ix) of the Order not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the provisions of section 197 read with schedule V of the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the reserve Bank of India Act, 1934.

**For S.S. Jain & Associates
Chartered Accountants
Firm Registration No. 103970W**

**S. K. Jain
Proprietor
Membership Number: 038664**

Place : Bangalore

Dated : 30thMay,2016

BALANCE SHEET AS ON 31ST MARCH, 2016

	Schedule No.	AS AT 31st March 2016 Rs.	AS AT 31st March, 2015 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	48,550,000	48,550,000
Reserves and Surplus	2	191,653,443	186,600,597
Non-Current Liabilities			
Long-Term Borrowings	3	117,563,524	120,678,013
Other Long Term Liabilities	4	10,477,812	11,387,382
Long-Term Provisions	5	2,911,005	4,275,709
Current Liabilities			
Short-Term Borrowings	6	104,613,815	111,899,826
Trade Payables	7	119,775,524	120,572,249
Other Current Liabilities	8	44,800,139	30,659,460
Short-Term Provisions	9	10,301,686	8,748,872
TOTAL		650,646,948	643,372,108
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		138,891,563	153,073,597
Intangible Assets		100,303,571	100,330,055
Capital Work-in-Progress		1,217,258	-
Deferred Tax Assets (Net)	11	2,589,570	2,682,551
Long-Term Loans and Advances	12	10,327,349	5,706,454
Other Non-Current Assets	13	5,529,255	5,529,255
Current assets			
Inventories	14	207,279,988	169,839,831
Trade Receivables	15	103,918,387	112,976,662
Cash and Bank Balances	16	9,430,764	25,583,812
Short-Term Loans and Advances	17	70,829,797	67,649,891
Other Current Assets	18	329,446	-
Significant Accounting Policies Notes on Financial Statements		1 to 33	
TOTAL		650,646,948	643,372,108

As per our attached report of even date.

For S S Jain & Associates
 Chartered Accountants

FRN 103970W

Proprietor

Sudhir Kumar Jain

M.No.038664

Place : Bangalore

Dated : 30th May, 2016

For and behalf of the Board
Paramount Cosmetics (I) Ltd
Hiitesh Topiwaalla
Managing Director
Hansraj Rathor
Chief Financial Officer
Mukesh Kumar Tyagi
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Schedule No.	31.03.2016 Rs.	31.03.2015 Rs.
INCOME:			
Revenue from Operations	19	490,817,005	483,604,735
Other income	20	2,744,019	1,676,516
Total Revenue		493,561,024	485,281,251
Expenses:			
Cost of Materials Consumed	21	320,002,678	336,278,151
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	22	(22,751,040)	(21,860,778)
Employee Benefits Expense	23	58,098,310	49,981,554
Finance costs	24	30,260,669	19,185,811
Depreciation	10	25,284,481	7,978,965
Other Expenses	25	68,121,384	69,973,097
Total expenses		479,016,482	461,536,799
Profit / (Loss) before exceptional and extraordinary items and tax		14,544,543	23,744,452
Exceptional items	26	118,920	15,345
Profit/ (Loss) before extraordinary items and tax		14,425,623	23,729,107
Extraordinary Items	26		
Profit / (Loss) before tax		14,425,622	23,729,107
Tax expense:			
(1) Less : Current Tax		7,039,410	5,775,036
(2) Less :Deferred Tax	11	92,981	598,000
(3) Add : Excess provision of earlier year written back		681,296	
Profit for the period from continuing operations		7,974,528	17,356,071
Profit/(loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax)			
Profit (Loss) for the period		7,974,528	17,356,071
Earnings per equity share:			
(1) Basic	30	1.64	3.57
(2) Diluted	1 to 33		
Significant Accounting Policies Notes on Financial Statements.			

As per our attached report of even date.

For S S Jain & Associates
Chartered Accountants

FRN 103970W

Proprietor

Sudhir Kumar Jain

M.No.038664

Place : Bangalore

Dated : 30th May, 2016

For and behalf of the Board
Paramount Cosmetics (I) Ltd

Hiitesh Topiwaalla
Managing Director

Hansraj Rathor
Chief Financial Officer

Mukesh Kumar Tyagi
Director

CASH FLOW STATEMENT FOR THE YEAR 2015-2016

Particulars	31.03.2016 Amount Rs.	31.03.2015 Amount Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after taxation, and extraordinary items	7,974,528	17,356,071
Adjustments for :		
Profit/Loss on Sale of Fixed Asset	-	-
Depreciation	25,284,481	7,978,965
Prior Period Expenses	-	-
Deferred Revenue Expenditure written off	-	3,822,228
Sundry Assets Written off	-	1,950,488
Transferred from Reserve and Surplus (Provision for Dividend and DDT)	(2,921,682)	(3,495,428)
Interest expense	30,260,669	19,185,812
Interest income	(2,744,019)	(1,676,516)
Operating profit before working capital changes	<u>57,853,976</u>	<u>45,121,620</u>
Adjustments for :		
Decrease/(Increase) in trade and other receivables	(1,021,008)	30,713,388
Decrease/ (Increase) in Inventories	(37,440,157)	(30,057,050)
Increase/(Decrease) in trade and other payable	(15,490,547)	29,798,456
Increase/(Decrease) in Deferred Advertisement Expenditure	-	(3,822,228)
Net Cash flow from Operating Activities	<u>3,902,265</u>	<u>71,754,184</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	12,293,221	(83,812,560)
Sale of Fixed assets	-	-
Interest received	2,744,019	1,676,516
Net Cash Flow from Investing activities	<u>15,037,240</u>	<u>(82,136,044)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital Calls in Arrears		
Interest paid	(19,185,811)	(19,185,812)
Dividends Paid (Including Dividend Distribution Tax)	(3,231,965)	(2,675,129)
Proceeds/(Repayment) from Non Current Borrowings	(5,388,763)	29,048,404
Proceeds from Short Term Borrowings	(7,286,013)	4,958,585
Net Cash flow from Financing Activities	<u>(35,092,552)</u>	<u>12,146,048</u>
Net Cash Flow during the year (A+B+C)	(16,153,047)	1,764,188
Cash and Cash Equivalents at the beginning of the year	25,583,811	23,819,623
Cash and Cash Equivalents at the end of the year	<u>9,430,764</u>	<u>25,583,811</u>
Previous year's figure have been regrouped, recast wherever necessary.		

As per our attached report of even date.

For S S Jain & Associates
Chartered Accountants

FRN 103970W

Proprietor

Sudhir Kumar Jain

M.No.038664

Place : Bangalore

Dated : 30th May, 2016

For and behalf of the Board
Paramount Cosmetics (I) Ltd

Hiitesh Topiwaalla
Managing Director

Hansraj Rathor
Chief Financial Officer

Mukesh Kumar Tyagi
Director

Notes on Financial Statements for the Year ended 31st March, 2016

The Previous year figures have been regrouped/reclassified, where necessary to conform to the current year presentation.

	AS AT 31.03.2016 Amount (Rs)	AS AT 31.03.2015 Amount (Rs)
1 SHARE CAPITAL		
Share Capital		
Authorised		
50,00,000 (Prev. year : 50,00,000) Equity Shares of Rs.10/- each	50,000,000	50,000,000
Issued		
48,87,150 (Prev. year : 48,871,50) Equity Shares of Rs.10 each	48,871,500	48,871,500
Subscribed		
48,56,650 (Prev. year : 48,566,50) Equity Shares Rs. 10 each fully paid	48,566,500	48,566,500
Paid up		
48,55,000 (Prev. year : 48,55,000) Equity Shares of Rs.10 each fully paid	48,550,000	48,550,000
Total	48,550,000	48,550,000

1.1 The Detail of Shareholders holding more than 5% Equity Shares :

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Hiitesh Topiiwaalla	2,560,640	52.80%	2,560,640	52.80%
Paramount Kumkum Pvt Ltd	1,065,150	21.94%	1,065,150	21.94%
Total	3,625,790	74.74%	3,625,790	74.74%

1.2 The Reconciliation of Number of Equity Shares Outstanding and the amount of Equity Share Capital as at 31st March, 2014 and 31st March, 2013 is set out below :

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Equity Shares		Equity Shares	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	4,855,000	48,550,000	4,855,000	48,550,000
Add : Shares Issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,855,000	48,550,000	4,855,000	48,550,000

Notes on Financial Statements for the Year ended 31st March, 2016

2 RESERVES AND SURPLUS :	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
	<u>Amount (Rs)</u>	<u>Amount (Rs)</u>
Share Premium Reserve		
Opening Balance	108,525,000	108,525,000
Closing Balance	108,525,000	108,525,000
Capital Reserves		
Opening Balance	30,650	30,650
Closing Balance	30,650	30,650
Profit and Loss Account :		
Opening Balance As Per Last Balance sheet	78,044,947	66,737,113
Add : Net Profit For the Year	7,974,528	17,356,071
Balance	86,019,475	84,093,184
Less : Adjusted for Fixed Assets (Refer Note a to Schedule 10)	-	2,552,809
Less : -Proposed Dividend on Equity Shares (Dividend Per Share Rs. 0.50 (Previous Year Rs. 0.60)	2,427,500	2,913,000
Less :-Tax on Dividend	494,182	582,428
Closing Balance	83,097,793	78,044,947
Total	191,653,443	186,600,597
3 LONG TERM BORROWINGS	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
	<u>Amount (Rs)</u>	<u>Amount (Rs)</u>
Secured :		
From Bank	76,871,508	86,634,597
Refer Note 6.1		
From Others	-	
Unsecured :		
Loans From Related Parties	40,692,016	34,043,416
From Other	-	
Total	117,563,524	120,678,013
3.1	Vehicle Term Loan is secured against the hypothecation of vehicle. Refer note 6.1 for bank loan.	
4 OTHER LONG TERM LIABILITES	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
	<u>Amount (Rs)</u>	<u>Amount (Rs)</u>
Deposit	9,801,000	9,801,000
Long term credits for capital goods	-	-
Advance From Customers	-	-
Long Term Trade Payable	676,812	1,586,382
Total	10,477,812	11,387,382
5 OTHER LONG TERM LIABILITES	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
	<u>Amount (Rs)</u>	<u>Amount (Rs)</u>
Provision for employee benefits:		
Gratuity	2,911,005	4,275,709
Total	2,911,005	4,275,709

Notes on Financial Statements for the Year ended 31st March, 2016

6 OTHER LONG TERM LIABILITES	As at 31 March, 2016	As at 31 March, 2015
	Amount (Rs)	Amount (Rs)
Working Capital Loan From Bank - Cash Credit	104,613,815	111,899,826
Total	104,613,815	111,899,826
6.1	Cash Credit and term loan limits is secured by hypothecation of entire plant and machinery including all the assets being 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	
7 TRADE PAYABLES	As at 31 March, 2016	As at 31 March, 2015
	Amount (Rs)	Amount (Rs)
Micro, Small and Medium Enterprises	-	-
Others	119,775,524	120,572,249
Total	119,775,524	120,572,249
7.1	The details of amount outstanding to Micro, Small and Medium Enterprises: The Company is in the process of complying the information, hence no details are incorporated for current and previous years.	
Particulars	As at 31st March 2016	As at 31st March 2015
	Amount (Rs)	Amount (Rs)
Principal amount due and remain unpaid	-	-
Interest due on above and unpaud interest	-	-
Interest accrued and remaining unpaid	-	-
Interest due and payable for the period delay	-	-
8 OTHER CURRENT LIABILITES	As at 31st March 2016	As at 31st March 2015
	Amount (Rs)	Amount (Rs)
Unclaimed Dividend	1,170,801	907,338
Proposed Dividend	2,427,500	2,913,000
Creditor for Capital Expenditure	2,128,743	4,900,635
Current Maturities of Long Term Debts	18,887,708	281,560
Other Payable		
Statutory Payable	3,459,249	4,861,676
Advance from Customer	3,754,266	1,142,501
Tax on Dividend	408,359	496,605
Other Payable	12,563,513	15,156,145
Total	44,800,139	30,659,460
9 SHORT TERM PROVISIONS	As at 31st March 2016	As at 31st March 2015
	Amount (Rs)	Amount (Rs)
Provision for Employee Benefits	3,262,276	2,973,836
Provision for Income Tax	7,039,410	5,775,036
Total	10,301,686	8,748,872

Notes on Financial Statements for the Year ended 31st March, 2016

	GROSS BLOCK						ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1st April 2015	Additions	Deductions	As at 31st March 2016	As at 1st April 2015	Depreciation Charge for the year	Deduction	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015	
FIXED ASSETS											
TANGIBLE ASSETS											
Land	7,949,562	-	-	7,949,562	-	-	-	-	7,949,562	7,949,562	
Buildings	77,597,494	1,205,205	-	78,802,699	5,747,557	7,076,474	12,824,031	12,824,031	65,978,668	71,849,937	
Plant and Equipment	44,340,208	7,004,933	-	51,345,141	1,722,319	8,468,675	10,190,994	10,190,994	41,154,146	42,617,889	
Furniture and Fixtures	14,287,855	1,240,435	-	15,528,290	1,078,396	3,646,900	4,725,295	4,725,295	10,802,995	13,209,459	
Vehicles	26,210,025	-	-	26,210,025	21,325,249	2,186,641	23,511,890	23,511,890	2,698,135	4,884,776	
Office equipment	1,872,894	705,397	-	2,578,291	1,265,697	437,807	1,703,504	1,703,504	874,787	607,197	
Others (specify nature)											
Electric Installation	9,389,538	534,175	-	9,923,713	118,013	2,460,096	2,578,109	2,578,109	7,345,603	9,271,524	
Computer Equipment	2,543,656	176,339	-	2,719,995	2,239,419	270,856	2,510,275	2,510,275	209,720	304,237	
Factory Equipment	658,859	-	-	658,859	314,826	79,247	394,073	394,073	264,786	344,033	
Mould	3,024,923	-	-	3,024,923	1,186,870	381,292	1,568,162	1,568,162	1,456,761	1,838,053	
R & D-Equipments	313,614	-	-	313,614	116,683	40,532	157,215	157,215	156,399	196,931	
Total	188,188,627	10,866,484	-	199,055,111	35,115,030	25,048,518	60,163,548	60,163,548	138,891,563	153,073,597	
Intangible Assets											
Computer software	2,288,514	209,479	-	2,497,993	1,958,459	235,963	2,194,422	2,194,422	303,571	330,055	
Copyrights, and patents and other intellectual property rights, services and operating rights	100,000,000	-	-	100,000,000	-	-	-	-	100,000,000	100,000,000	
Total	102,288,514	209,479,000	-	102,497,993	1,958,459	235,963	2,194,422	2,194,422	100,303,571	100,330,055	
Capital Work In Progress											
Capital Work In Progress	-	1,217,258	-	1,217,258	-	-	-	-	1,217,258	-	
Total	-	1,217,258	-	1,217,258	-	-	-	-	1,217,258	-	
Grand Total	290,477,141	12,293,221	-	302,770,362	37,073,489	25,284,481	62,357,970	62,357,970	240,412,392	253,403,652	
Previous year	242,553,271	132,603,335	85,331,154	290,477,146	60,479,417	7,978,965	31,384,887	37,073,495	253,403,652	182,073,855	

In accordance with the provisions of Schedule II of the Companies Act 2013, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value as a transitional provision has been recognised in the Retained Earnings

Notes on Financial Statements for the Year ended 31st March, 2016

11	Deferred Tax Assets (Net)	As at 31st March 2016	As at 31st March 2015
		Amount (Rs)	Amount (Rs)
	Deferred Tax Assets		
	Disallowance under Income Tax Act, 1961	2,161,443	3,280,551
	Related to Fixed Assets	428,127	-
	Total - A	2,589,570	3,280,551
	Deferred Tax Liabilities		
	Related to Fixed Assets	-	598,000
	Total - B	-	598,000
	Total - (A - B)	2,589,570	2,682,551
12	LONG TERM LOANS AND ADVANCES	As at 31st March 2016	As at 31st March 2015
	(Unsecured and Considered Good)	Amount (Rs)	Amount (Rs)
	Trade Receivable	3,568,688	-
	Advance to Suppliers	4,454,848	3,007,868
	Deposits	1,642,666	2,085,958
	Advance Income Tax (Incl MAT Credit & TDS Receivables)	661,147	612,628
	Income Tax	-	-
	Other Loans and Advances*	-	-
	Total	10,327,349	5,706,454
13	OTHER NON CURRENT ASSETS	As at 31st March 2016	As at 31st March 2015
	(Unsecured and Considered Good)	Amount (Rs)	Amount (Rs)
	VAT Credits	5,505,755	5,505,755
	Other Non-Current Assets*	23,500	23,500
	Total	5,529,255	5,529,255
	*NSC Deposited With Daman Sales Tax Department.		
14	INVENTORIES	As at 31st March 2016	As at 31st March 2015
		Amount (Rs)	Amount (Rs)
	As taken valued and as certified by the Management at lower of cost or Net Realisable value unless stated other wise		
	Raw Materials	27,121,163	16,292,000
	Finished Goods	162,669,273	139,918,233
	Stock-In-Trade	-	-
	Packing Materials	17,489,552	13,629,598
	Total	207,279,988	169,839,831
15	TRADE RECEIVABLES	As at 31st March 2016	As at 31st March 2015
	(Unsecured and Considered Good)	Amount (Rs)	Amount (Rs)
	Over Six Months	5,693,523	8,165,221
	Others	98,224,863	104,811,441
	Total	103,918,387	112,976,662
16	CASH AND BANK BALANCES	As at 31st March 2016	As at 31st March 2015
		Amount (Rs)	Amount (Rs)
	Balance with Banks #	1,270,344	1,244,145
	Cash on Hand	2,760,416	3,060,955
	Fixed Deposit with bank *	5,400,003	21,278,711
	Total	9,430,764	25,583,812

* Fixed Deposits includes Margin Money Deposit Rs. 48,23,803/- (P.Y. Rs. 41,34,051/-).

Balance with Bank includes Unclaimed dividend of Rs. 11,70,801/- (P.Y. Rs.9,07,338/-).

Notes on Financial Statements for the Year ended 31st March, 2016

17	SHORT TERM LOAN AND ADVANCES (Unsecured and Considered Good)	As at 31st March 2016	As at 31st March 2015
		Amount (Rs)	Amount (Rs)
	Deposit	57,500,000	57,500,000
	Prepaid Expenses	3,515,932	978,012
	Capital Advances	1,691,999	3,646,804
	Others*	8,121,866	5,525,075
	Total	70,829,797	67,649,891

* Includes Advances to Suppliers Rs. 50,29,208/- (P.Y. Rs.31,19,691/-) and Advance to Staff Rs. 20,17,273/- (P.Y. Rs. 19,08,022/-)

18	OTHER CURRENT ASSETS	As at 31st March 2016	As at 31st March 2015
		Amount (Rs)	Amount (Rs)
	Interest accrued on fixed deposit	329,446	-
	Total	329,446	-

19	REVENUE FROM OPERATIONS	Financial Year 2015 -16	Financial Year 2014 -15
		Amount (Rs)	Amount (Rs)
	Sale of Cosmetic Products	490,817,005	483,604,735
	Other Operating Revenue	-	-
	Total	490,817,005	483,604,735

20	OTHER INCOME	Financial Year 2015 -16	Financial Year 2014 -15
		Amount (Rs)	Amount (Rs)
	Interest	484,283	1,606,840
	Other Non Operating Income	2,259,736	69,676
	Total	2,744,019	1,676,516

Other non operating incomes includes insurance claim received amounting to Rs 18,82,852 (Previous Year Nil)

21	COST OF MATERIAL CONSUMED	Financial Year 2015 -16		Financial Year 2014 -15	
		Amount (Rs)	%	Amount (Rs)	%
	Imported	9,355,900	2.8	15,507,043	4.6
	Indigenous	310,646,778	97.1	320,771,108	95.4
	Total	320,002,678	100	336,278,151	100

21.1	PARTICULARS OF MATERIAL CONSUMED	Financial Year 2015 -16	Financial Year 2014 -15
		Amount (Rs)	Amount (Rs)
	Sheets and Folders	308,951,806	315,026,248
	Others	11,050,872	21,251,903
	Total	320,002,678	336,278,151

22 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	<u>Financial Year 2015 -16</u> <u>Amount (Rs)</u>	<u>Financial Year 2014 -15</u> <u>Amount (Rs)</u>
Inventories (at Close)		
Finished Goods	162,669,273	139,918,233
Inventories (at Commencements)		
Finished Goods	139,918,233	118,057,455
Total	(22,751,040)	(21,860,778)

23 EMPLOYEE BENEFITS EXPENSE

	<u>Financial Year 2015 -16</u> <u>Amount (Rs)</u>	<u>Financial Year 2014 -15</u> <u>Amount (Rs)</u>
Salary and Wages	44,129,171	40,000,159
Director Remuneration	10,949,996	8,827,500
Less:- For new project.	-	(2,206,875)
Contribution to Provident Fund and Other Fund	2,174,594	2,697,781
Staff Welfare Expenses	844,549	662,989
Total	58,098,310	49,981,554

24 FINANCE COSTS

	<u>Financial Year 2015 -16</u> <u>Amount (Rs)</u>	<u>Financial Year 2014 -15</u> <u>Amount (Rs)</u>
Interest Expense	28,775,209	17,758,305
Other Borrowing Costs	1,485,460	1,420,501
Net loss / (gain) on foreign currency transactions and translations	-	7,005
Total	30,260,669	19,185,811

25 OTHER EXPENSES

	<u>Financial Year 2015 -16</u> <u>Amount (Rs)</u>	<u>Financial Year 2014 -15</u> <u>Amount (Rs)</u>
Manufacturing Expenses		
Consumable Stores and Spares	739,162	304,473
Labour Charges	2,838,695	3,573,199
Electric Power & Fuel	1,234,798	527,124
Repairs to Building	192,137	47,750
Repairs to Machinery	161,520	98,551
Total	5,166,312	4,551,097
Selling and Distribution Expenses		
Sales Promotion Expenses	10,870,923	8,627,716
Commission	5,448,062	4,794,344
MES Expenses	9,070,861	8,961,587
Deferred Revenue Exp W/off -	-	3,822,228
Other advertisement, selling and distribution expenses	12,071,414	10,170,438
	37,461,260	36,376,313
Establishment Expenses		
Legal and Professional Charges	4,441,751	6,040,964
Rent, rates and taxes	2,390,541	2,753,845
Insurance	794,903	614,389

OTHER EXPENSES

	Financial Year 2015 -16	Financial Year 2014 -15
	Amount (Rs)	Amount (Rs)
Other Repairs & Maintenance	2,191,838	2,603,121
Travelling and Conveyance	6,491,394	5,639,735
Payment to Auditor	310,000	310,000
Postage and Telephone	2,177,915	1,913,307
Printing Stationary	2,060,574	930,575
Other Expenses	4,634,896	8,239,750
Total	25,493,812	29,045,686
Total	68,121,384	69,973,097

26 EXCEPTIONAL ITEMS

	Financial Year 2015 -16	Financial Year 2014 -15
	Amount (Rs)	Amount (Rs)
Prior Period Expenses	118,920	15,345

Notes on Financial Statements for the Year ended 31st March 2016
Note 27
A. Significant Accounting Policies
1. Accounting Convention :

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 2013. Item of exceptional nature and assessment dues are accounted on cash basis.

2. Fixed Assets :

All Fixed assets are stated at cost except the Land & Factory Buildings which have been valued at its current market value as on 31.3.2007. Cost comprised the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

3. Depreciation :

Depreciation on Fixed Assets is provided on the Written down Method at the Rates and in the manner specified in the Schedule II of the Companies Act, 2013.

Effective 1st April 2014, the company depreciates its fixed assets over the useful life of the assets in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

4. Foreign Currency Transactions :

Transaction in foreign currency is recorded at the rate of exchange prevailing on the date of transaction. Current assets and liabilities are translated at the year-end closing rates. The resulting exchange gain/loss is reflected in the profit and loss account except in case where the relates to acquisition of Fixed Assets in which case they are adjusted to the carrying Cost of such Assets.

5. Investment :

Long Term Investments are stated at cost after deducting provision, if any for decline other than temporary in value. Current investments are stated at lower of cost and market fair value.

6. 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.

7. Revenue Recognition :

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

8. Research & Development:

Revenue expenditure on research and development is charged out in the year in which it is incurred. Advertisement and Sales Promotion expenses on introduction of new products and on account of Re-Launch of Products are written off over a period of five years.

9. Employee Benefit :

Leave Encashment: Leave Encashment is accounted for on accrual basis.

Gratuity: Gratuity liability under the payment of Gratuity Act is accounted for on a accrual basis for those employees who has completed five year of their employment with the company at the end of financial year.

10. Taxes on Income :

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

11. Provision, Contingent Liabilities and Contingent Assets :

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.

28.1 VALUE OF CONSUMABLE CONSUMED :

	2015-16		2014-15	
	Amount (Rs)	% of Consumption	Amount (Rs)	% of Consumption
Imported	103,311	14%	NIL	NIL
Indigenous	635,851	86%	304,473	100%
Total	739,162	100%	304,473	100%

28.2 VALUE OF IMPORT ON CIF BASIS IN RESPECT OF

	2015-16	2014-15
Raw Materials	11,167,309	11,362,616

28.3 PAYMENT TO AUDITOR'S

	2015-16	2014-15
1 Audit Fee	85,000	84,270
2 Tax Audit Fee	60,000	61,798
3 Certificate & Other services	165,000	179,776
Total	310,000	325,844

28.4 EARNINGS IN FOREIGN CURRENCY

	2015-16	2014-15
FOB value of Export Sales	1,065,587	5,614,689

28.5 A Sum of Rs. NIL (Previous Year : Rs.NIL) is included under establishment expenses representing Net Prior Period Items.

28.6 EXPENDITURE IN FOREIGN CURRENCY

	2015-16	2014-15
Travelling	718,340	NIL
Purchase of Samples	NIL	NIL
Total	718,340	NIL

29 Disclosure pursuant to Accounting Standard - 15 (Revised) - Employee Benefit :

The company has adopted Accounting Standard -15 (Revised). The Company has a defined gratuity plan wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death at 15 days salary (last drawn salary) for completed year of service. The scheme is unfunded

Defined Benefit Plan	Financial Year 2015 -16	Financial Year 2014 - 15
Change in present value of obligations :		
Present value of obligation as on beginning of the year	4,275,709	4,395,788
Interest cost	333,505	340,674
Current Service Cost	984,904	374,047
Benefit paid	(1,427,190)	(933,870)
Actuarial Gain /(Loss) on obligation		
Prior year charge	(1,255,923)	99,070
Present value of obligation as on end of the year	<u>2,911,005</u>	<u>4,275,709</u>
Change in the fair value of plan Assets :		
Fair value of plan assets at the beginning of the year	NIL	NIL
Contribution by employer	1,427,190	933,870
Expected Return on Plan Asset	NIL	NIL
Benefit paid	(1,427,190)	(933,870)
Actuarial Gain /(Loss) on obligation	NIL	NIL
Fair value of plan assets at the End of the year	NIL	NIL
Total Actuarial Gain /Loss to be accounted	NIL	NIL
Actual Return on Plan Asset :	NIL	NIL
Expected Return on Plan Asset		
Actuarial Gain /(Loss) on planned asset		
Actual Return on Plan Asset	NIL	NIL
Amount Recognised in the Balance Sheet :		
(Assets) / Liability recognised at the end of the year	<u>2,911,005</u>	<u>4,275,709</u>
Fair value of plan assets as the end of the year	NIL	NIL
Difference	2,911,005	4,275,709
Unrecognised past service	NIL	NIL
(Assets) / Liability recognised at the end of the year	2,911,005	4,275,709
Movement of net liability recognised in Balance Sheet :		
Opening Net Liability	4,275,709	4,395,788
Expenses as above (Expenses recognised in Balance Sheet	62,486	813,791
Employers' contribution - Benefits settled	(1,427,190)	(933,870)
(Assets) / Liability recognised in the Balance Sheet	2,911,005	4,275,709
Principal actuarial assumptions as at Balance Sheet Date:		
Discuout Rate:	7.80%	7.80%
(The rate of discount is considered based on market yield on Government Bonds)		
Expected rate of return on Plan Assets	7.80%	7.80%
(The estimated rate of return assumed by the Insurance Company is based on their investment pattern as stipulated by the Government of India		
Annual Increase in Salary Cost	10.50%	10.50%

30	EARNINGS PER SHARE:	Financial Year 2015 -16	Financial Year 2014 - 15
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	7,974,528	17,356,071
ii)	Weighted Average Number of Equity Shares used as denominator for Calculating EPS	4,855,000	4,855,000
iii)	Basic and Diluted Earning Per Share (In Rs.)	1.64	3.57
iv)	Face Value per equity share (In Rs.)	10	10

31 RELATED PARTY DISCLOSURE

As Per Accounting Standard 18, the disclosure of transaction with the related parties are given below.

(i) List of Related parties where control exists, with whom transaction have taken place and relationship:

Sr. No.	Name of the Related Party	Relationship
1	Hiitesh Topiwaalla	Key Management Personal
2	Aartii Topiwaala	
3	Paramount Kumkum Private Limited	Associates
4	Paramount Personal Care Private Limited	
5	Parcos Brands Communication Private Limited	
6	Parcos Brands Investment Pvt Ltd	
7	Parcos Brands Private Limited	
8	PETL Exports Private Limited	

(ii) Trasaction during the year with related parites

Sr. No.	Nature of Transaction (Excludes reimbursements)	Year	Key Management Personal	Others
1	Unsecured Loan Taken(Taken / Repaid)	2015-16	4,199,999	
		2014-15	5,500,000	
2	Purchase of Goods	2015-16		5,493,327
		2014-15		19,480,387
3	Professional Fees	2015-16		NIL
		2014-15		NIL
4	Remuneration *	2015-16	10,949,996	
		2014-15	8,827,500	
5	Director Sitting Fees	2015-16	20,000	
		2014-15	15,000	

* Includes Rs NIL (Previous Year Rs.22,06,875/-) for new project.

Balance as at 31st March 2016

Sr. No.	Nature of Transaction	Year	Key Management Personal	Others
1	Unsecured Loan	2015-16	13,743,415	24,500,000
		2014-15	9,543,416	24,500,000
2	Sundry Creditors	2015-16		2,343
		2014-15		284,845
3	Advance for Purchases	2015-16		5,436,488
		2014-15		NIL
4	Deposit	2015-16		57,500,000
		2014-15		57,500,000

32 CONTINGENT LIABILITIES AND COMMITMENTS
1. Contingent Liabilities in respect of :

- Liability of Rs 576.40 Lakhs in respect of The sales tax matter in dispute with the Commissioner of Commercial Taxes, Surat, Gujarat, in respect of F.Y. 2005-06 is contested in appeal. On the similar issue in the earlier years and later years the decision was in favour of the Company.
- Liability in respect of Letter of Credit opened with bank - Rs.55,03,706/- (Previous Year Rs.38,32,617/-).

2. Capital Commitments in respect of:

- The estimated amount of contracts remaining to be executed on capital accounts (Net of Advance) and not provided for Rs.59,83,164/- (Previous Year Rs.17,535,720/-).

33 Other Notes

- Balances of Debtors, Creditors, Loans and Advances are subject to confirmation. Loss, if any , on account of this will be recognised in the year in which confirmation are received.
- In the opinion of the Board, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business, and provision for all known liabilities have been adequately made in the accounts.
- The company operates in one segment only namely "Cosmetics Products", and transactions in geographical segment are not material, therefore the segment wise figures are not given.
- Previous year figures have been regrouped wherever necessary.

As per our attached report of even date.

For S S Jain & Associates
Chartered Accountants

FRN 103970W
Proprietor
Sudhir Kumar Jain

M.No.038664

Place : Bangalore
Dated : 30th May, 2016

For and behalf of the Board
Paramount Cosmetics (I) Ltd

Hiitesh Topiwaalla
Managing Director

Hansraj Rathor
Chief Financial Officer

Mukesh Kumar Tyagi
Director

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@parammount.com; website: www.parammount.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 First 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, September 30, 2016 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 First Annual General Meeting of the Company, to be held on the 30th day of September, 2016 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, 2016		
2	Declaration of Dividend on Equity Shares		
3	To appoint a Director in place of Ms. AartiTopiwaala, Director who retire by rotation and being eligible offers herself for re-appointment		
4	Ratification of the appointment of M/s. S.S. Jain & Associates, Chartered Accountant as Statutory Auditor and fix their remuneration		
5	Approval of appointment and payment of remuneration to Hiitesh Topiwaala, Managing director for three years commencing from 1 st April 2017		

Signed this _____ day of 2016

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