



AVON CORPORATION LTD.

**12th**  
ANNUAL REPORT  
2010-11



*Tricky  
Trotter*

**The achievement of something desired**

*Vision 4 Globe Trotting*

**AVON CORPORATION LIMITED  
ANNUAL REPORT 2010-11**

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# AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

## BOARD OF DIRECTORS

Pankaj Saraiya	Chairman / Managing Director
Rupal Saraiya	Whole Time Director
Shantaben Saraiya	Director
Ramesh Joshi	Director
Anmol Sekhri	Director
Gopal Krishan Sharma	Director

## COMMITTEES

### 1. AUDIT COMMITTEE

Anmol Sekhri	Chairman
Ramesh Joshi	Member
Gopal Krishan Sharma	Member

### 2. INVESTOR GRIEVANCE COMMITTEE

Ramesh Joshi	Chairman
Gopal Krishan Sharma	Member
Pankaj Saraiya	Member

## CHIEF FINANCIAL OFFICER

Bhupendra L. Doshi

## COMPANY SECRETARY

Kamlesh R. Vyas

## STATUTORY AUDITORS

Atul B. Shah & Co.  
180/B, Lamington Road,  
Mumbai – 400 007.

## REGISTERED OFFICE

Avon Corporation Limited  
DLH PARK (Commercial Premises),  
Office No. 1106, 11th Floor, S. V. Road,  
Near MTNL, Goregaon West,  
Mumbai, Maharashtra – 400 067

## BANKERS

State Bank of India  
HDFC Bank  
Axis Bank Ltd

## REGISTRAR & SHARE TRANSFER AGENT

Datamatics Financial Services Limited



AVON CORPORATION LTD.



**AVON CORPORATION LIMITED  
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## **CHAIRMAN'S STATEMENT**



**PANKAJ P. SARAIYA  
(CHAIRMAN & MANAGING DIRECTOR)**

**At AVON CORP, it has been our considered  
strategy to build businesses that straddle the core  
sectors of the Indian economy.**



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

Dear Fellow Shareholders,

It is a privilege and an honour to present to you Avon Corporation Limited, 12<sup>th</sup> Annual Report and the audited accounts for the financial year ended 31st March, 2011. For all of us at Avon, it was a satisfactory year strategically and operationally. Operationally, Avon has recorded an all-round superior performance where our endeavours to strengthen market (profitability) position, improve efficiencies, tighten costs and sweat assets have paid handsome returns. Company's business demonstrated a significant improvement benefiting from better economic conditions, aggressive marketing and brand promoting efforts. Our focus is on three key aspects of value creation, i.e., profitability, asset-productivity and growth. a great pleasure to share with you the highlights of preceding year of significant achievements.

I am very glad to address you with an excellent performance by your Company during the year 2010-11. It is our main objective to go one step ahead and create value.

During this eventful year, your Company achieved a total Consolidated turnover of ₹ **1,879,336,622** and a Consolidated net profit of around ₹ **217,660,013**.

Consolidated Overall revenues have notched an impressive 61.13 per cent year-on-year growth while consolidated operating profits have risen from ₹ 273,835,844 last year to ₹ 166,286,466. Better working capital management across the business has led to a surge in consolidated pre-tax profits by 84.11 per cent to ₹223,168,567. Consolidated Net Profits at ₹ 217,660,013 reflect a 91.10 per cent year-on-year growth.

The overall financial position of the Company remains strong. The Company's cash flows remain healthy. More importantly, the performance of our Company has shown healthy improvement over the quarters. Our business have demonstrated considerable improvement in terms of volumes and pricing during the year, thus clearly pointing towards changing fortunes of our business, with the economy gearing towards improvement.

### Structural Initiatives

To align the interest of shareholders and employees, and to manage capital better, we have made a strategic move to open a wholly owned subsidiary at Sharjah Free Zone. This decision helps us focus on enhancing our sales volume and growth. It also aids our Company in making it as market-driven and agile as possible.

The company plans to expand across all geographies, while continuing to focus on different sections like Hospitals, Gyms, fitness center, Pharma, Chemicals, R&D, Retail, Govt., Semi-govt. Avon Corporation Ltd. leads and sets the yardstick for a fast-growing industry and is determined to live up to its shareholders' expectations, including shareholders, customers, governments and all members of the communities we operate in.

### Summary

In essence, the Company's growth over the next few years will be driven by the new line of products, which appear to have strong growth prospects. The expected positive outlook coupled with well-thought strategies planned for this business will ensure improved volume and profitability in our operations. Efficient utilization of physical and strategic assets will be the key driver for creation of value in future. Our strategies are geared to deliver enhanced value for shareholders in future.

At this juncture, I would like to take the opportunity of placing on record my appreciation of our employees and the management team at Avon Corporation. Their dedication and commitment have enabled us to reach our goals. Our employees are integral to our success and to sustain shareholder value creation. The future holds immense promise for us and we are geared to measure up to every challenge that leaps at us. We have made a good start. We take our learning into the next year with confidence, spirit and passion.

I take this opportunity to thank my team for standing together in our effort.

With warm regards

Sd/-  
Pankaj P. Saraiya  
(Chairman & Managing Director)



AVON CORPORATION LTD.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 12th Annual General Meeting of the members of Avon Corporation Ltd. will be held on Thursday the September 22, 2011 to Hotel Park View , 38 Lullubhai Park Road , Andheri (W) – 400 058 at 11.00 a.m. to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended March 31, 2011 and Balance Sheet as at that date together with Reports of the Directors and Auditors thereon.
2. To declare dividend for the year on the equity shares.
3. To re-appoint Mr. Ramesh M. Joshi as Director of the Company on retirement by rotation.
4. To appoint M/s. Atul B. Shah & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

#### **SPECIAL BUSINESS:**

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

5. Revision / Enhancement of remuneration payable to Mrs. Rupal P. Saraiya, Whole Time Director:

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the relevant provisions of the Article of Association of the Company, all applicable guidelines for managerial remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, and the consent as may be required, the remuneration, commission, perquisites and other allowances payable to Mrs. Rupal P. Saraiya, Whole Time Director, be revised and enhanced with effect from 1st October, 2011 for the remainder of her tenure, as given in the explanatory statement annexed herewith.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/ or Remuneration Committee constituted be the Board be and are hereby authorised to take all actions and do all such deeds, matters and things, as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

6. Revision / Enhancement of remuneration payable to Mr. Pankaj P. Saraiya, Managing Director:

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) the relevant provisions of the Article of Association of the Company, all applicable guidelines for managerial remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, and the consent as may be required, the remuneration, commission, perquisites and other allowances payable to Mr. Pankaj P. Saraiya, Chairman and Managing Director, be revised and enhanced with effect from 1st October, 2011 for the remainder of his tenure, as given in the explanatory statement annexed herewith.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/ or Remuneration Committee constituted be the Board be and are hereby authorised to take all actions and do all such deeds, matters and things, as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

For Avon Corporation Limited  
Sd/-  
Pankaj P Saraiya  
(Chairman & Managing Director)

Place: Mumbai  
Date : 16th August, 2011

#### **Registered office**

DLH PARK (Commercial Premises),  
Office No. 1106, 11th Floor,  
S. V. Road, Near MTNL, Goregaon West,  
Mumbai, Maharashtra – 400 067



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. The proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business is annexed hereto.

3. Members are requested to:

a) complete the attendance slip and deliver the same at the entrance of the meeting hall.

b) bring their copies of the Annual Report at the time of attending the Annual General Meeting.

c) send their questions at least 10 days in advance before the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.

4. Members are requested to forward all application for Transfer, Demat, and all other share related correspondence, including intimation of change of address, if any, to the Registrar and Transfer Agents of the Company at the following address:

#### **Datamatics Financial Services Ltd.**

Unit: Avon Corporation Ltd., Plot No. A-16 & 17, MIDC,

Part B Crosslane, Marol,

Andheri (East),

Mumbai 400 093.

Tel: 91-022-66712151

Fax: 91-022-66712161

Email: prashant\_vaitya@dfssl.com

Website: www.dfssl.com

5. The Register of Members and Share Transfer Book of the Company will remain closed from 14th September, 2011 to 22nd September, 2011 (including both days).

6. The relevant details as required by Clause 49 of the Listing Agreement entered into with Stock Exchange, of persons, seeking appointment/re-appointment as Directors under Item nos. 3 above, is annexed.

Name	Mr. Ramesh M. Joshi
Date of Birth	16th December, 1942
Qualification	B. A. & L.L.B.
Nature of Expertise & Experience	Bachelor of Arts & Laws from University of Nagpur. Started career with RBI in 1963 and served for a period exceeding over 37 years spanned across various departments under various capacities. Was placed on deputation with SEBI in 2001 and as executive Director and retired from SEBI in December 2002, specialized in Primary Markets, Mutual Funds, Foreign Institutional Investors, Takeovers, Investors Grievances, and Depositories & Custodians, Retired Public Representative Director on Inter Connected Stock Exchange of India Ltd, Mumbai, Retired as Executive Director of SEBI, Member of various committees or groups of RBI & SEBI and as Nominee Directors of State Bank of Mysore, Maharashtra State Financial Corporation and Malaprabha Grameena Bank, Hubli, Dharwad.
Name of other Public Companies in which also holds Directorship	a. Ind Fund Management Ltd. b. Vakrangee Softwares Ltd. c. Vakrangee Technologies Ltd. d. Excel Infoways Ltd.
Name of other Companies in Committees of which holds Membership / Chairmanship	None
Shareholding in Avon Corporation Limited	Nil



# AVON CORPORATION LIMITED

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### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

#### Item No. 5

At the Annual General Meeting held on 05th August, 2009, the Shareholders had approved the Re - Appointment of Mrs. Rupal P. Saraiya as Whole Time Director for a period of 5 years.

The Board considered that the Company has grown manifold and has increased the job and responsibility of the Whole Time Director of the Company. The Board felt that her hard work should be suitably remunerated. The Board is therefore revising the remuneration of Mrs. Rupal P. Saraiya as Whole Time Director, with effect from 01st October, 2011 for the remainder of their tenure, as under:

#### REMUNERATION:

##### Salary:

Increase in Salary of Mrs. Rupal P. Saraiya, Whole Time Director from ₹ 30, 00,000 lacs per annum to ₹ 36, 00,000 lacs per annum (All Inclusive).

##### Minimum Remuneration:

Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary or perquisites as specified above, subject to the requisite approvals, being obtained. 12th Annual Report 2010-2011 Mrs. Rupal P. Saraiya, Whole Time Director will not be entitled to sitting fees for attending meetings of the Board of the Directors or any Committees thereof. Mrs. Rupal P. Saraiya shall be liable to retire by rotation. The terms and conditions set out for reappointment and payment of remuneration may be altered and varied from time to time by the Board of Directors as it may, at its discretion deem fit. In the case of non-availability or inadequacy of profits in the Financial Year 2011 – 2012 and any given financial year of appointment the Company shall apply to the Central Government for their approval and in case of rejection of the application by the Central Government, the Company will pay Managerial Remuneration to Mrs. Rupal P. Saraiya as Whole Time Director of the Company, in the manner and subject to the limits prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956.

#### Item No. 6

At the Annual General Meeting held on 05th August, 2009, the Shareholders had approved the Appointment of Mr. Pankaj P. Saraiya as Managing Director for a period of 5 years.

The Board considered that the Company has grown manifold and has increased the job and responsibility of the Managing Director of the Company. The Board felt that their hard work should be suitably remunerated. The Board is therefore revising the remuneration of Mr. Pankaj P. Saraiya, Managing Director with effect from 01st October, 2011 for the remainder of their tenure, as under:

#### REMUNERATION:

##### Salary:

Increase in Salary of Pankaj P. Saraiya, Managing Director from ₹ 36, 00,000 lacs per annum to ₹ 48, 00,000 lacs per annum (All Inclusive).

##### Minimum Remuneration

Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary or perquisites as specified above, subject to the requisite approvals, being obtained. 12th Annual Report 2010-2011 Mr. Pankaj P. Saraiya, Managing Director will not be entitled to sitting fees for attending meetings of the Board of the Directors or any Committees thereof. Mr. Pankaj P. Saraiya shall be liable to retire by rotation. The terms and conditions set out for reappointment and payment of remuneration may be altered and varied from time to time by the Board of Directors as it may, at its discretion deem fit. In the case of non-availability or inadequacy of profits in the Financial Year 2011 – 2012 and any given financial year of appointment the Company shall apply to the Central Government for their approval and in case of rejection of the application by the Central Government, the Company will pay Managerial Remuneration to Mr. Pankaj P. Saraiya as Managing Director of the Company, in the manner and subject to the limits prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956.

None of the Directors except Mrs. Rupal P. Saraiya & Mr. Pankaj P. Saraiya is concerned or interested in this resolution.  
Your Directors recommend the resolution for your approval.



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

On Behalf of the Board  
For Avon Corporation Limited  
Sd/-  
Pankaj P. Saraiya  
Chairman & Managing Director Registered

Place: Mumbai  
Date: 16th August, 2011

Registered Office:  
Avon Corporation Ltd.  
DLH PARK (Commercial Premises),  
Office No. 1106, 11th Floor,  
S. V. Road, Near MTNL, Goregaon West,  
Mumbai, Maharashtra – 400 067

**The Ministry of Corporate Affairs has taken a Green initiative in Corporate Governance by allowing paperless compliance by companies. Accordingly, companies can now send various documents electronically to those shareholders who register their email addresses.**

**To receive all communications including Annual Reports by e-mail:**

- Holders of shares in physical form are requested to fill up the postage pre-paid e-mail registration form set out at the next page and send it to the share transfer agents, M/s. Datamatics Financial Services Ltd.
- Members holding shares in demat form may register their e-mail IDs with the company or the depository participant.

### VISION

The world is changing around us. To carry on and flourish as a company, we must look further on.

We at Avon Corporation understand the trends and forces that will shape our business in the future and we are moving swiftly to organize ourselves on the Global front.

Our Vision for the future is to be the world leader in weighing products from mechanical to digital, to provide our services to laboratories, industries, health sectors and personal uses worldwide. Globalization has become the norm in today's society. We shall strive to follow Globe Trotting as we take our success to a higher level.



AVON CORPORATION LTD.

**AVON CORPORATION LIMITED  
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**E - Mail Registration**

To,  
Datamatics Financial Services Ltd.  
Unit : Avon Corporation Ltd., Plot No. A-16 & 17, MIDC,  
Part B Crosslane, Marol,  
Andheri (East),  
Mumbai 400 093.  
Tel: 91-022-66712151  
Fax: 91-022-66712161  
Email: salim\_shaikh@dfssl.com  
Website: www.dfssl.com

Dear Sir/Madam,  
Sub.: Registration of E – Mail ID for receiving communications in electronic form.

I am a Shareholder of the Company. I want to receive all communications from the Company including AGM and General Meeting notices and explanatory statement(s) thereto. Balance Sheets, Director's Report, Auditor's Reports etc. through e – mail. Please register my e – mail ID set – up below, in your record for sending communication through e – mail:

Folio No.\* \_\_\_\_\_

Name of 1st Registered Holder\* \_\_\_\_\_

Name of Joint Holder(s) \_\_\_\_\_

Address\* \_\_\_\_\_

Pin Code\* \_\_\_\_\_

E - Mail ID \* \_\_\_\_\_

Contact Tel. No\*.                      Mobile \_\_\_\_\_

Landline \_\_\_\_\_

\*Date \_\_\_\_\_                      Signature of First Holder\* \_\_\_\_\_

**Important Notes:**

- a. Fields marked \* are mandatory for registration of the e – mail ID.
- b. On registration, all the communication will be sent to the e – mail ID registered in the folio.
- c. Any change in e – mail ID, from time to time, may please be registered in the records of the company.

Demat of Shares: I would like to know the procedure to demat my physically held shares of Avon Corporation Limited please contact at my above number. Yes _____,                      No _____
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AVON CORPORATION LTD.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### DIRECTORS' REPORT

Dear Shareholders, We are delighted to present 12th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2011.

Your Company has taken many strategic steps during the year to strengthen its financials and to achieve all round growth of the business. The focus during the year was to accelerate growth through widening of network expanding capacities to capitalise on the growth opportunities besides optimum utilisation of the resources.

As a result of these initiatives, your Company has posted growth-oriented results during the year. Your Company's consolidated revenues were ₹ 1,879,336,622 during the year registering a year-on-year growth of 61.13% from ₹ 1,166,355,467 as reflected in last year.

The Company's net profit at consolidated ₹ 217,660,013 are enhanced by 91.10% during the year, against ₹ 113,900,688 attained in the preceding year.

Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India are attached for your reference.

#### FINANCIAL RESULTS:

Particulars	₹ in Lacs	
	Current year (2010 - 2011)	Previous Year (2009-2010)
Sales Revenue	18793.37	11663.55
Other Income	189.58	148.70
Increase/ (Decrease) in Stock	259.80	82.88
Less: Total expenditure	16504.39	10232.27
Profit before Depreciation, Interest and Tax (PBDIT)	2738.36	1662.86
Less: Interest	421.91	377.53
Less: Depreciation	84.76	73.21
Profit before Tax	2231.69	1212.12
Less: Provision for Taxation	55.09	73.11
Profit after Tax	2176.60	1139.01
Less: Transfer to General Reserve	500.00	352.76
Less: Dividend Distribution & Tax thereon	75.56	226.76
Add: Balance brought forward	1184.37	737.10
Less: Dividend Paid (Short Provision)	-	112.32
Balance carried forward to Balance Sheet	278541.41	1184.37

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### Industry Structure and Developments:

Weighing industry is booming like fire in the forest, in today's world although consciously or unconsciously we weigh most of the things from the time we get up from the bed till we are off to sleep, starting from your tooth paste how much to use till how many calories to consume in our day. So these situations have created hyper growth in weighing industry. Weighing industry is may be ranked among the necessities of life to every individual of human society. They enter into the economical arrangements and daily concerns of every family. They are necessary to every occupation to human industry. The demand for weighing scales is expected to increase considering growth of user industries viz. diversified with different kinds of software related to various industries like healthcare, pharma, government, retail, gyms, jewellery, etc. There are a number of players in the Industry, many in SSI Sector. Therefore, the Markets & Capacities are fragmented in the Country.

### Business Performance:

Our Company is engaged in manufacturing & Trading of Weighing Scales, which has utilizations in various industries healthcare, pharma, government, retail, gyms, jewellery, etc. Since years the Company has served its customers successfully. As market demand for the weighing scales is increasing, opportunities for our Company is also growing high and our competition in the market is becoming tough but we have confidence in our high quality product to survive and grow in a competitive market.

Your Company continued to maintain its upward trend by Consolidated registering Sales of ₹ 18793.37 lacs as against ₹ 11663.55 lacs in the previous year. Consolidated Profit before Depreciation, Interest and tax has increased from ₹ 10232.27 lacs to ₹ 16504.39 lacs. Consolidated Profit before tax for the year under review, has increased ₹ 2231.69 lacs as compared to ₹ 1212.12 lacs in the previous year. Consolidated Net profit After Tax for the year has registered an increase of ₹ 2176.60 lacs as compared to ₹ 1139.01 lacs in the previous year.

Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

### Share Capital:

The paid up capital of the Company ₹ 64, 58, 03,170 (Rupees Sixty Four Crores Fifty Eight Lakhs Three Thousand One Hundred and Seventy only).

### Dividend:

Your Directors are pleased to recommend a dividend of ₹ 0.1/- per share on the equity paid up share capital of the Company for the year ended 31st March, 2011.

### Cash Flow Statement

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchange, the cash flow statement for the year ended 31st March, 2011 is annexed hereto.

### Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- 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 profit of the Company for that year.
- proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.



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- the attached Statement of Accounts for the year ended March 31, 2011 have been prepared on a going concern basis.

### **Public Deposits:**

The deposits accepted by the Company are in accordance with the provisions of Section 58A of the Companies Act, 1956 read with the Company (Acceptance of Deposits) Rules, 1975 as amended.

### **Subsidiary Companies:**

a. In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company including the financial results of its subsidiary companies.

b. A statement relating to subsidiary Company pursuant to Section 212 of the Companies Act, 1956 is annexed. The Audited Balance Sheet and Profit and Loss Accounts of the Subsidiary Company, as on their respective year ended on various dates as per the laws of the country wherein this company is incorporated, are annexed.

### **Corporate Governance:**

A Report on Corporate Governance along with a certificate from M/s A. B. Shah & Co., Chartered Accountants, Statutory Auditors regarding compliance of the requirements of Corporate Governance, as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement with the Stock exchange are annexed hereto.

### **Directors:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ramesh M. Joshi, Director of the Company, shall retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

A brief profile of the above Director, as required by Clause 49VIA of the Listing Agreement with the Bombay Stock Exchange Limited, Mumbai is attached to the Notice of the ensuing Annual General Meeting.

### **Auditors:**

M/s. A. B. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue as auditors.

### **Auditors' Comment:**

The observations made by the Auditors in the Auditors' Reports read with relevant notes given in the Notes on Accounts are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

### **Practicing Company Secretary:**

Mr. Rakesh Kapur, Practicing Company Secretary of the Company has given his report on Secretarial Audit for the year.

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### Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

The relevant data pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

### Particulars of employees:

During the year under review, none of the employees of the Company, whether employed for the whole year or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) rules, 1975 as amended, and hence, no particulars are required to be furnished in connection with the same.

### Acknowledgements

Your Directors take this opportunity to express their gratitude for the support and co-operation received during the year from the Investors, Financial Institutions, Bankers, Statutory Authorities and all organizations connected with its business. Your Directors also take pleasure in commending the valuable contributions made by the employees of the Company at all levels during the year.

Place: Mumbai  
Dated: 12<sup>th</sup> August, 2011

For and on behalf of the Board  
Sd/-  
Pankaj P. Saraiya  
Chairman & Managing Director

### MISSION

Our endeavor is to attain excellence in our work and each of our clients is special. To deliver a service and result that exceeds their expectation has been a prime focus throughout.

High quality products at competitive pricing.

Customized products for our customers.

Solutions & support for consistent reliable performance.

# AVON CORPORATION LIMITED

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### ANNEXURE A TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

A.POWER AND FUEL CONSUMPTION	Unit	2010-2011	2009-2010
1) Electricity		8.00	6.72
<b>Total Amount</b>	₹ in lacs	8.00	6.72

### B. RESEARCH & DEVELOPMENT

#### Research & Development

1. Specific areas in which R&D work is carried out:

The focus of the Company's R&D efforts was on the following areas:

- Development of new technology for existing and newer weighing scales.
- Updation for existing processes for better and efficient production of weighing scales.
- Development of new innovative technology for the manufacture of existing and new scales.
- Development of new products.
- Development of methods to improve safety procedures, effluent control, pollution control, etc.
- Process / product design improvements.
- Productivity research for increased efficiency in use of resources.

2. Some of the major benefits derived as a result of R&D include:

- Successful commercial scale up of several new weighing scales.
- Development of methods of operations which are cost effective.
- Improved processes and enhanced productivity in manufacturing of products.
- Enhanced fuel efficiency.
- Effective use of raw materials and fuels with innovative technology.

#### 3. Future plan of action:

The Company will continue its R&D efforts in the various areas as indicated above. The major thrust would be on developing new and efficient products. Improve product quality particularly with respect to long term durability and reduction in its cost of manufacture.

4. Expenditure on R&D:

<b>Total</b>	<b>₹ In lakhs</b>
	<b>4.27</b>

### C. FOREIGN EXCHANGE EARNING AND OUTGO

	2010-2011	2009-2010
Total Foreign Exchange earned:		
a) From Export	-	951560.00 US\$
b) Advance recd from Debtors	-	-
<b>Total Foreign Exchange outgo:</b>		
a) For Purchase	140035.70US\$ 111827.60Euro	916044.14US\$ 55165.50Euro
b) For Travel	1500US\$	3500.00US\$





**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**ANNEXURE B TO THE DIRECTORS' REPORT**

**Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company:**

<b>Name of the Subsidiary Company</b>	<b>Avon Corporation FZE</b>
The Financial Year of the Subsidiary Company ended on	31.03.11
Number of Shares held and extent of holding thereof by the holding Company, at the above date:	
a) The number of shares	1
b) Face Value of each share	(AED) 150000
c) Extent of holding in percentage terms	100 %
The net aggregate profits or (losses) (PAT) of the Subsidiary Company for the current financial year so far as it concerns the members of the holding Company.	₹ 44526411
The net aggregate profits or (losses) of the Subsidiary Company for the previous financial year so far as it concerns the members of the holding Company	NA

**For and on behalf of the Board**

**Sd/-**  
**Pankaj P. Saraiya**  
**Chairman & Managing Director**

**Place: Mumbai**  
**Date : 12.08.2011**



Let Ur Think  
Body



AVON CORPORATION LTD.



*Vision 4 Globe Trotting*



AVON CORPORATION LTD.

## Digital Glass Scale



Pink |||||



Blue |||||



Silver |||||

- ◆ Capacity **150 kg.**
- ◆ Graduation **100 gm.**
- ◆ Direct step on
- ◆ LCD height 25 mm
- ◆ Lithium battery 1 no.
- ◆ Low power
- ◆ Auto off
- ◆ Overload function
- ◆ Platform size (WxL) 300 x 300 mm
- ◆ Weight of scale 1.5 kg.
- ◆ Personal Digital Scale

**APD 812**

MRP ₹ 1399/-



CAPACITY



GRADUATION



DIRECT  
STEP ON



LCD SIZE



LITHIUM  
BATTERY



LOW POWER



AUTO POWER OFF



OVERLOAD



PLATFORM SIZE



WEIGHT  
OF SCALE

# AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

## REPORT ON CORPORATE GOVERNANCE

### **CORPORATE GOVERNANCE**

Corporate governance is the set of processes, customs, policies, and laws affecting the way a corporation (or company) is directed, administered or controlled. It is the foundation on which large corporate are built. Generally, the foundation for any system of corporate governance will be determined by several factors, all of which help to shape the final structure of governing the company.

Corporate governance is a multi-faceted subject where the theme is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the principal-agent problem.

### **CORPORATE GOVERNANCE AT AVON**

Avon is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. The Company's philosophy on Corporate Governance is founded upon fair, ethical and transparent governance practices, by adopting highest standards of professionalism, honesty, integrity and ethical behavior. It is an important cornerstone in Avon's objective of enhancing value of its shareholders and benchmarking itself with global standards and best practices in all areas which rests on four vital factors viz. transparency, full disclosure, independent monitoring and being fair to all, especially to stakeholders. Avon is committed to good Corporate Governance and in ensuring adequate disclosure for its stakeholders. The Company believes that the governance process should be such as to ensure proper utilization of resources in a manner intended to meet the expectations of the shareholders. The Company believes in transparency, empowerment, accountability, safety of people and environment and the Company lay emphasis on business ethics in all dealings. The Company believes in meeting the obligations of all the stakeholders, including amongst others, shareholders, customers, employees and the community in which we operate. Corporate governance in an organization depicts the strength of not only the compliance of laws, regulations, procedures etc., but also demonstrates the values and practices followed in respect of financial and human capital, maximizing long term value of shareholders and investors' trust. It envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations.

### **I. BOARD OF DIRECTORS**

The Composition of the Board is in accordance with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchange. The Board of Directors of the Company consists of combination of Executive, Non-Executive and Independent Directors. The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. As on the date of this report, majority of the Board of Directors comprises of Non-Executive Directors, having rich and varied experience. The Board has Two (2) Executive Directors and Six (4) Non-Executive Directors of which Three (3) are Independent Directors. The Chairman of the Board is an Executive Director. The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors.

**The constitution of the Board and other relevant details relating to Directors as on March 31, 2011 are as below:**

Director	Executive/Non-executive Independent	No. of Outside Directorship held		Outside Committee Positions Held	
		Public	Private	Member	Chairman
Mr. Pankaj Saraiya	Managing Director	Nil	Nil	Nil	Nil
Mrs. Rupal Saraiya	Whole Time Director	Nil	Nil	Nil	Nil
Mrs. Shantaben Saraiya	Non-Executive	Nil	Nil	Nil	Nil
Mr. Ramesh Joshi	Independent	4	1	Nil	Nil
Mr. Anmol Sekhri	Independent	2	2	Nil	Nil
Mr. Gopal Krishan Sharma	Independent	Nil	Nil	Nil	Nil



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### **Non Executive Director's Compensation and disclosure- whether will come or not.**

All fees/compensation paid to the non executive directors are fixed by Board of Directors and have shareholder's approval. Details of sitting fees/compensation paid to them are given at the respective place in the report. Subject to the approval of Shareholders in the ensuing Annual General Meeting to be held on 22nd September, 2011.

### **Other provisions of the Board**

The Board meets at least once in a quarter to consider amongst other business the performance of the Company and quarterly financial results. When necessary, additional meetings are held. The Board meetings are generally held at the Registered Office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors to discharge their respective responsibilities effectively and take informed decisions. Considerable time is spent by the Board of Directors on discussions and deliberations at the Board Meetings. Every Board Member is free to suggest the inclusion of items on the agenda.

During the year ended 31st March, 2011, the Board met 6 times on 20th May, 2010, 30th June, 2010, 14th August, 2010, 30th October, 2010, 31st January, 2011, and 08th February, 2011.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2010-11 and the last AGM:

Date of Board Meeting	City	No. of Directors Present
20th May, 2010	Mumbai	6 out of 4
30th June, 2010	Mumbai	6 out of 4
14th August, 2010	Mumbai	6 out of 5
30th October, 2010	Mumbai	6 out of 4
31st January, 2011	Mumbai	6 out of 4
08th February, 2011	Mumbai	6 out of 4

### **Code of Conduct**

Pursuant to Clause 49 of the Listing Agreement entered in to with Bombay Stock Exchange, the Company has adopted code of conduct for Directors and Senior Managerial Personnel. All the members of the Board and Senior Managerial Personnel have affirmed compliance to the Code of Conduct as on 31st March, 2011 and a declaration to that effect signed by the Managing Director (CEO) is attached and forms a part of this Report.

### **II. Audit Committee**

The Audit Committee functions in the ambit of Companies Act 1956, listing requirements applicable to the Company that defines its Composition, Authority, Responsibility and Reporting functions. The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement. The Scope of the functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company and such other functions as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 1956.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### **(a) Primary Objectives of the Audit Committee**

The Audit Committee acts as a link between the Statutory Auditors, internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the management, including the independent auditor and notes the process and safeguards employed by each.

### **(b) Powers, Role & Review of the Audit Committee**

The Audit Committee, inter alia advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, internal audit can be improved. The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49(II) (C), (D) and (E) of the listing agreement as follows:

#### **Powers of the Audit Committee are:**

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:**

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. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on 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  
5A. 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.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up there on.





## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

9. 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.
10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **The Audit Committee reviews following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### **(c) Composition of the Audit Committee:**

The Audit Committee comprises of Three Independent Directors. Mr. Anmol Sekhri, an Independent Director acts as the Chairman of the Committee. The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of Section 292A of the Companies Act, 1956. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

### **The composition of the Audit Committee is as follows:**

1. Mr. Anmol Sekhri, Chairman
2. Mr. Ramesh Joshi, Member
3. Mr. Gopal Krishan Sharma, Member

### **((d) Audit Committee Meetings and Attendance during the financial year ended 31st March 2011**

The minutes of the meetings of the Audit Committee are placed before the Board. During the financial year ended 31st March, 2011, Four Audit Committee Meetings were held on 20th May, 2010, 14th August, 2010, 30th October, 2010 and 31st January, 2011. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	No. of meetings held	No. of meetings attended
Mr. Anmol Sekhri, Chairman	4	4
Mr. Ramesh Joshi	4	4
Mr. Gopal Krishan Sharma	4	4

1. The Chairman of the Audit Committee, Mr. Anmol Sekhri was present at the Annual General Meeting of your Company held on 27th September, 2010.
2. Mr. Pankaj Saraiya, Managing Director and Mr. Ratnesh Singh, Chief Financial Officer are permanent invitees to the Committee meetings.
3. The statutory auditors are invited to the Audit Committee Meetings whenever required.
4. Company Secretary, acted as Secretary to the Committee.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### III. General Body Meetings:

Details of last three Annual General Meetings are given hereunder

Year	Date	Venue	Time
2008	17th May, 2008	2nd Floor, Kamal Kunj, S.V.Road, Andheri (W), Mumbai 400058.	10.00 A.M.
2009	5th August, 2009	Hotel Park View, 37, Lallubhai Park Road, Andheri (West), Mumbai – 400 058	11.00 A.M.
2010	27th September, 2010	Hotel Park View, 37, Lallubhai Park Road, Andheri (West), Mumbai – 400 058	10.30 A.M.

### Special Resolution:

- At the Annual General Meeting which was held on 27th September, 2010, there were following three items that were passed as Special Resolutions in accordance with the Companies Act, 1956:-
  - Appointment of Mr. Gopal Krishan Sharma as Director of the Company.
  - Increase in remuneration ₹ 3, 00,000 per month/- ₹ 36, 00,000 per annum to Mr. Pankaj P. Saraiya, Managing Director.
  - Increase in remuneration ₹ 2, 50,000 per month/- ₹ 30, 00,000 per annum to Mrs. Rupal P. Saraiya, Whole Time Director.
  - Commission to Non – Executive Director, Mrs. Shantaben P. Saraiya.
- At the Annual General Meeting which was held on 05th August, 2009, there were following three items that were passed as Special Resolutions in accordance with the Companies Act, 1956:-
  - Appointment of M/s A. B. Shah & Co., Chartered Accountants as Statutory Auditors of the Company.
  - Re-appointment of Mr. Pankaj Saraiya as Managing Director at monthly remuneration of ₹ 1,50,000/-
  - Re-appointment of Mrs. Rupal Saraiya as Whole Time Director at monthly remuneration of ₹ 1,50,000/-
- No Special Resolution was passed in the Annual General Meeting held on 17th May, 2008

### IV DISCLOSURES

#### A. Basic of Related Party Transactions

The Company places all the relevant details before the Audit Committee from time to time. Particulars of related party transactions are listed out in Schedule of the Balance Sheet forming part of the Annual Report.

#### Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as applicable.

#### B. Risk management

The Company has developed comprehensive risk management framework which is reviewed by the Board of Directors which involves the risk assessment and minimization procedures. The Board reviews and re-assesses the business risks on a regular basis. It aids the Board enabling the growth of the Company by helping its businesses to identify the inherent risks, continuously assess/ evaluate and monitor these risks and undertake effective steps to manage these risks.

#### C. Proceeds from Public issue, rights issue, preferential issue

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from rights issue, preferential issue, etc., as part of quarterly review of financial results.





## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### D. Remuneration of Directors

The Executive Directors are paid remuneration as per the agreements entered into between the Company and the respective Executive Director and is according to the Schedule XIII of the Companies Act, 1956. These agreements are approved by the Board, the shareholders and such authorities as may be necessary. The appointment and remuneration of the Managing Director and Whole-Time Directors is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers terms of such appointment.

Details of Remuneration paid to all the Executive Directors for the Financial Year ended 31st March, 2011 are as under:

Name of Director	Salary (₹)	Commission	Perquisites & other benefits
Mr. Pankaj Saraiya (Chairman & Managing Director)	36,00,000	Nil	Nil
Mrs. Rupal Saraiya (Whole Time Director)	30,00,000	Nil	Nil

**Note:** - Mr. Pankaj Saraiya and Mrs. Rupal Saraiya have deposited Rs. 20,000 each in the Fixed Deposit scheme launched by the Company.

Sitting fees for attending meeting of Board & Committee is paid as per the provisions of Companies Act, 1956 & Listing Agreement. The Non Executive Directors are paid Sitting Fees of ₹ 20,000/- for each meeting of the Board/Committee attended by them. The total amount of sitting fees paid during the financial year ended March 31, 2011 was ₹ 7, 60,000.

Details of sitting fees non-executive director are given separately as under:-

Name of Director	Sitting Fees paid (₹)	No. of Board Meetings		Attended last AGM	No. of shares held in the Company
		Held	Attended		
Mrs. Shantaben Saraiya	40,000	10	2	No	172
Mr. R. M. Joshi	2,40,000	10	10	Yes	Nil
Mr. Anmol Sekhri	2,40,000	10	10	Yes	Nil
Mr. Gopal Krishan Sharma	2,40,000	10	10	Yes	Nil

#### Note:-

1. Presently, the Company has not issued any stock options, bonus, incentives, and pension to any of its Directors.
2. No Director has received any loans or advances from the Company.
3. No Director holds directorships in more than 15 public limited companies.
4. There were no pecuniary relationships or transaction vis-à-vis with the Company during the year.
5. No Director is related to any other Director except the following:-

Name of Director	Relationship with other directors
Mr. Pankaj Saraiya Managing Director	Son of Mrs. Shantaben Saraiya Husband of Mrs. Rupal Saraiya
Mrs. Rupal Saraiya Whole-Time Director	Wife of Mr. Pankaj Saraiya

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### E. Management

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Clause 49 of the Listing Agreement.

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interests of the Company.

### F. Shareholders.

The Company has provided the details of new Directors and Directors seeking re-appointment in the Annual General Meeting notice attached with the Annual Report. Disclosure of relationships between directors inter-se is made in the Annual Report, notice of appointment of a director, etc.

### Shareholders Grievance Committee

The Committee expresses satisfaction with the Company's performance in dealing with investors' grievances and its share transfer system. As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Pankaj Saraiya and Mr. GopalKrishan Sharma, members and Mr. Ramesh Joshi, Chairman of the Committee who shall attend to share transfer formalities.

Name of the Member	Position held in the Committee	No. of meetings held	No. of meetings attended
Mr. Ramesh Joshi	Chairman	1	1
Mr. Pankaj Saraiya	Member	1	1
Mr. Gopal Krishan Sharma	Member	1	1

### Subsidiary Company

Avon Corporation FZE is the material unlisted foreign subsidiary company, Mr. Pankaj P. Saraiya – Managing Director is also the director of the Avon Corporation FZE. The Audit Committee also reviews the financial statement and the statement of investment made by Avon Corporation FZE. 12th Annual Report 2010-11 statements of all significant transactions and arrangements entered by the subsidiary company are placed before the board meeting of Avon Corporation Limited. The Company has incorporated a wholly owned subsidiary company in the name of Avon Corporation FZE in March, 2010 under the laws of Sharjah, U.A.E.

### The Company monitors the performance, inter alia, by the following means:

- The Audit Committee of the Company reviews the Financial Statements.
- Details of significant transactions and arrangements entered into by the Foreign Unlisted subsidiary company are placed before the Board of the Company as and when applicable.

### H. CEO/CFO Certification.

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Managing Director's or CFO's certification is provided as an annexure to this Report.

### I. REPORT ON CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, a certificate issued by the Statutory Auditors, M/s. Atul B. Shah & Co., Practising Chartered Accountants, regarding compliance of conditions of Corporate Governance is given as an annexure to this Report.

### J. MEANS OF COMMUNICATION:

1. The quarterly & annual financial results of the Company are published in two newspapers i.e The Free Press Journal (English language) and Navshakti (Marathi language). The results are displayed on Company's website i.e www.avon.co.in also.
2. The shareholding pattern, distribution of shareholding, presentations, if any, made to the institutional investors or to analysts are displayed on website.
3. The Management Discussion and Analysis Report form a part of Annual Report which is sent to shareholders annually.





AVON CORPORATION LTD.

## Digital Glass Scale



White |||||



Silver |||||



Black |||||

- ◆ Capacity **150 kg.**
- ◆ Graduation **100 gm.**
- ◆ Direct step on
- ◆ LCD height 52mm
- ◆ AAA x 4 batteries
- ◆ Low power
- ◆ Auto off
- ◆ Overload function
- ◆ Platform size (WxL) 350x300 mm
- ◆ Weight of scale 1.5 kg.
- ◆ Personal Digital Scale



**JUMBO DISPLAY 52mm**

Actual Size

**APD 811**

MRP ₹ 2199/-



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### SHAREHOLDER'S INFORMATION

- (i) Date, time and venue of Annual General Meeting of Shareholders** 22nd September, 2011, 11.00 A.M  
Hotel Park View ,  
38 Lullubhai Park Road ,  
Andheri (W) – 400 058
- (ii) Financial Calendar (tentative and subject to change)** Financial reporting for quarter ended  
June 30, 2010 : By August 14, 2010  
September 30, 2010 : By October 30, 2010  
December 31, 2010 : By January 31, 2011  
March 31, 2011 : By May 12, 2011  
Annual General Meeting for year ended  
31st March 2011 – By September 30, 2011.
- (iii) Dates of book closures** 14th September, 2011 to 22nd September, 2011 (both days inclusive)
- (iv) Dividend Payment** On or after 22nd September, 2011 but within the statutory time limit of 30 days, subject to shareholders' approval.
- (v) Correspondence Office** 15/ B, Kamal Kunj, 2nd Floor, S. V. Road, Near Irla Bridge, Andheri (West), Mumbai – 400 058.  
Tel. No.: 91-22-6680 4040  
Fax No.: 91-22-2671 7475.  
Email: [cs@avon.co.in](mailto:cs@avon.co.in)  
Website: [www.avon.co.in](http://www.avon.co.in)
- (vi) Listing on Stock Exchange** 1.The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited  
2.The Global Depository Receipts are listed on Societe de la Bourse de Luxembourg  
Global Depository Receipts are listed w.e.f. 24th June, 2009
- (vii) Stock Exchange Code** 532995  
ISIN: Equity Shares ISIN No: INE 207101016  
GDR : ISIN US05403810



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### (viii) Disclosures regarding appointment / reappointment of Directors

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Ramesh Joshi shall retire by rotation at the ensuing Annual General Meeting. The Board has recommended to the shareholders, the appointment/re-appointments of Mr. Ramesh Joshi as the Directors. The detailed resume of Mr. Ramesh Joshi is provided in the notice of the Annual General Meeting.

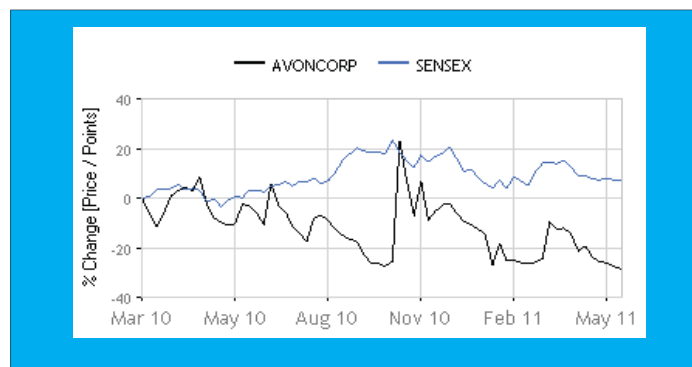
### (ix) Stock Market price data

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2011:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover ₹	* Spread ₹	
								H-L	C-O
Apr 10	6.79	7.55	6.65	7.42	42,81,231	7,600	3,04,30,179	0.90	0.63
May 10	7.45	7.55	5.54	6.16	86,85,609	9,773	5,49,18,588	2.01	-1.29
Jun 10	6.22	6.89	5.79	6.40	47,63,657	7,000	3,05,19,703	1.10	0.18
Jul 10	6.44	7.88	5.75	6.05	1,35,22,810	14,868	8,69,29,315	2.13	-0.39
Aug 10	6.15	7.43	5.50	5.81	2,77,18,033	26,698	16,98,02,062	1.93	-0.34
Sep 10	5.90	6.65	5.49	5.77	4,36,07,681	32,075	25,34,51,926	1.16	-0.13
Oct 10	5.87	5.99	4.92	4.95	5,51,13,666	31,289	29,07,15,833	1.07	-0.92
Nov 10	5.04	10.19	4.85	6.78	7,48,06,758	60,210	55,38,90,806	5.34	1.74
Dec 10	7.00	8.10	5.85	6.68	83,94,359	9,384	5,75,72,889	2.25	-0.32
Jan 11	6.76	7.00	5.90	6.02	42,69,710	3,946	2,65,88,854	1.10	-0.74
Feb 11	6.15	6.59	4.52	5.08	41,79,411	4,258	2,29,21,325	2.07	-1.07
Mar 11	5.19	5.39	4.80	4.99	29,45,661	3,532	1,49,01,991	0.59	-0.20

### (x) Performance in comparison to BSE Sensex:

#### Index Comparison AVONCORP - SENSEX



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

**(xi) Registrar and Share Transfer Agents:**

**Datamatics Financial Services Ltd.**

Unit: Avon Corporation Ltd.

Plot No. A-16 & 17, MIDC,

Part B Crosslane, Marol,

Andheri (East), Mumbai 400 093.

Tel: 91-022-66712151, Fax: 91-022-66712161

Email: salim\_shaikh@dfssl.com

Website: www.dfssl.com

**(xii) Share Transfer System:**

Transfer of shares in physical form are processed within a period of 15 days from the date of the lodgment subject to documents being valid and complete in all respects. There have been no instances of transfer of share in the physical form during the financial year 2010-2011.

**(xiii) Distribution of Shareholding as on March 31, 2011:**

No. of Equity Shares held	Shares		Shareholders	
	Number	% to total	Number	% to total Capital
1 - 500	2489010	3.85	8123	49.52
501 - 1,000	2885117	4.47	3104	18.92
1,001 - 5,000	9871633	15.29	3687	22.48
5,001 - 10,000	6161748	9.54	776	4.73
10,001 & above	43172809	66.85	712	4.34
<b>Total</b>	<b>64580317</b>	<b>100</b>	<b>16402</b>	<b>100</b>

**(xiv) Dematerialisation of shares and liquidity**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL under ISIN No. INE 207101016. As on 31st March 2011, 64578597 Equity Shares of the Company, forming 100% of the Share Capital of the Company, stand dematerialized and rests 1720 are in Rematerialised form.

**(xv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.**

The Company has not issued any American Depository Receipts/GDRs/Warrants or any other convertible instruments.

**(xvi) Plant Location:**

633 Village, Kishnapura,  
Near Glenmark Pharmaceuticals Ltd,  
Baddi Nalagarh Road,  
Tehsil Nalagarh, District Solan,  
Himachal Pradesh -174101.  
India.

**(xvii) Address for Correspondence:**

The Company Secretary  
Avon Corporation Limited  
15/B, 2nd Floor,  
Kamal Kunj, S.V. Road , Irla Bridge,  
Andheri (West), Mumbai - 400 058.  
Maharashtra, India.  
Board No. : 91-22-6680 4040  
Fax : 91-22-2671 7475  
Email: cs@avon.co.in



AVON CORPORATION LTD.



AVON CORPORATION LTD.

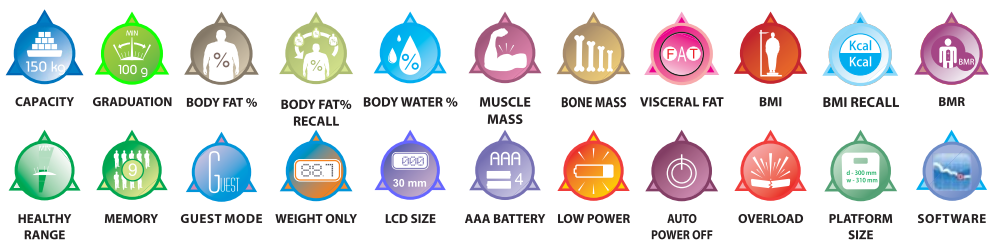
## Body Fat Scale



**ABD 805**  
MRP ₹ 4999/-

- ◆ Capacity **150 kg.**
- ◆ Graduation **100 gm.**
- ◆ Body fat Percentage
- ◆ Body fat % recall
- ◆ Body water%
- ◆ Muscle mass%
- ◆ Bone mass
- ◆ Visceral Fat
- ◆ BMI & BMI recall
- ◆ BMR
- ◆ Healthy range
- ◆ Age range
- ◆ Memory 9 person
- ◆ Guest Mode
- ◆ Weight only
- ◆ LCD height 30mm
- ◆ AAA batteries 4 no
- ◆ Low power
- ◆ Auto power off
- ◆ Overload
- ◆ Platform size (WxL) 300 x 310 mm
- ◆ Inbuilt software
- ◆ Connect to Computer via USB Cable

**Free!!**  
Body, Fat & Weight  
Management Software





AVON CORPORATION LTD.

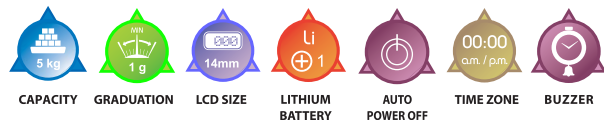


## Digital Kitchen Scale

- ◆ Capacity **5 Kg.**
- ◆ Graduation **1 gm.**
- ◆ ABS Body
- ◆ Platform size Ø 140mm
- ◆ LCD Digit Height 14mm
- ◆ Lithium Battery 1 no.
- ◆ Weight of Scale 310 gm
- ◆ Weighing Unit: gm. & kg.
- ◆ Auto Power off with Timer mode
- ◆ Count down function
- ◆ Buzzer Enter

**AKD 803**

MRP ₹ 1499/-



## Digital Kitchen Scale

- ◆ Capacity **5 kg.**
- ◆ Graduation **1 gm.**
- ◆ S.S. Body
- ◆ Platform size Ø 115mm
- ◆ White LCD backlit display
- ◆ LCD digit height 10mm
- ◆ 9 v Batteries
- ◆ Unit gm. kg.
- ◆ Manual off
- ◆ Buzzer function
- ◆ Temperature sensor with range 0° to 40°
- ◆ Low Battery Indication
- ◆ Auto power off

**AKD 804**

MRP ₹ 2199/-







AVON CORPORATION LTD.

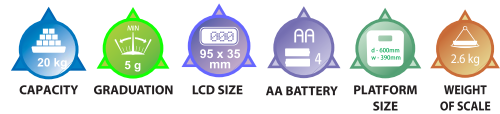
## Digital Baby Weighing Scale



- Capacity **20 kg.**
- Graduation **5 gm.**
- LCD size 95 x 35 mm
- LCD height 30 mm
- AA batteries x 4 nos.
- Memory recall
- Switch on switch
- Auto switch off
- Units Kg.
- Height measurement 0 to 58 cm tape attach
- Hold function
- Low power & Overload
- Platform size(WxL) 600 x 390 mm
- Weight 2.6 kg.
- ABS body

**ABS 801**

MRP ₹ 6199/-



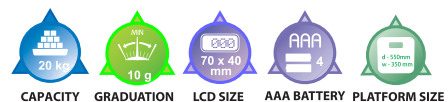
## Digital Baby Weighing Scale



- Capacity **20 kg.**
- Graduation **10 gm.**
- LCD size 70 x 40 mm
- AAA batteries x 4 nos
- Switch on function
- Weight of the balance 3 kg.
- LCD height 30 mm
- Pink color
- Units Kg.
- Hold function
- Memory Recall function
- Platform size (WxL) 550 x 350 mm

**ABS 802**

MRP ₹ 4999/-



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We, Avon Corporation Limited, are truly inspired by the eternal symbol of mankind's progress. The glory of weighing scales industry itself needs no introduction. Its use in various sectors like healthcare, pharma, government, retail, gyms, jewellery, etc. and large number of other sectors, are indeed a fascination to all of us. The Company is a one of the leading manufacturing & Trading of weighing scales, with an objective to provide highest quality standard products to its customers. To meet the customer demand at every level is the vital force that drives the organization towards higher performances standards of manufacturing and product quality. To achieve this at every stage of manufacturing cycle, the Company has set the Six 'P' Progress Maxim based on Policy, Product, Process, Prevention, Protection and Project, enabling it to stay at the forefront of Manufacturing Technology. Our professionally qualified team of technologist and engineers ensure a high satisfactory level of products in all respects.

#### **(A) INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Weighing industry is booming like fire in the forest, in today's world although consciously or unconsciously we weigh most of the things from the time we get up from the bed till we are off to sleep, starting from your tooth paste how much to use till how many calories to consume in our day. So these situations have created hyper growth in weighing industry. Weighing industry is may be ranked among the necessities of life to every individual of human society. They enter into the economical arrangements and daily concerns of every family. They are necessary to every occupation to human industry. The demand for weighing scales is expected to increase considering growth of user industries viz. diversified with different kinds of software related to various industries like healthcare, pharma, government, retail, gyms, jewellery, etc. There are a number of players in the Industry, many in SSI Sector. Therefore, the Markets & Capacities are fragmented in the Country.

The development of the weighing scales industry is linked with the country's economic and health development. The Weighing scales industry over the decade has grown by about 45%. It's a full-fledged industry which is all geared to set new records.

#### **(B) OPPORTUNITIES AND THREATS:**

Our Company is engaged in manufacturing & Trading of Weighing Scales, which has utilizations in various industries healthcare, pharma, government, retail, gyms, jewellery, etc. Since years the Company has served its customers successfully. As market demand for the weighing scales is increasing, opportunities for our Company is also growing high and our competition in the market is becoming tough but we have confidence in our high quality product to survive and grow in a competitive market. The growth of the industry allows the necessary opportunities for the Company to grow. The Company believes that commitment and reliability in dealings with customers are primary pre-requisites for successful and sustained business relationship. This principle controls all aspects of the Company's approach to its customers. The Company shall endeavour to provide value for money by maintaining consistency, quality and reliability. The Company's opportunities lie in the adequate demand for the Weighing scales which has which has utilizations in various industries healthcare, pharma, government, retail, gyms, jewellery, etc. The Company has sustained intense competition in its segment and has created its own different image. The Company has a wide dealer network spread all over the country through which the Company has already established its presence in the market. The Company has more than a decade of rich experience of serving its customers beyond their expectations. With the growth of the industry and introduction of new products and technology, the industry presents excellent opportunity for growth and profit earning for the leading and established players.

- The Company may face tough competition from the leading players in the Industry.
- Growing consumer awareness is driving up the expectations in terms of providing world class features and technology for which adequate price realization is not always possible.
- Stringent norms and regulations could bring new complexities and cost increase for the industry, impacting the Company's business. WTO, Free Trade Agreements and other similar policies could make the market more competitive for local manufacturers.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### (C) PERFORMANCE:

The year gone by was a year full of achievements for the Company. The Company has improved its performance significantly in the previous year. It has gained the ability to have revenue streams from a number of industry sectors as well as retail sectors. The demand has augmented mainly due to amortization of manufacturing, procurement and sales system. The Company has launched various products with superior technology in the Market. The Company is involved in manufacturing & Trading of weighing scale. In order to expand the business further, the Company has opened a wholly owned subsidiary at Sharjah, Dubai. The figures of production and sales for the products being manufactured by the Company are furnished in the Notes on Accounts. Avon has developed specific industry expertise in providing weighing solutions in pharmaceuticals, chemicals, gems, jewellery industries, etc.

### (D) FUTURE OUTLOOK:

Weighing scales are going to buoyant in the coming years in the market. It acts as the necessity, comfort and luxury in one's life and therefore would be demanded by the people of all classes in society. In all past years our domestic industry had performed very well and demands for the products are ever increasing. Obviously it has bright future the Company has built itself to face each and every market challenges. The long-term outlook of Avon is positive, as the demand for its products grow at a enhanced rate. Our Company is sure of achieving its goals by its un-definable and its operational efficiencies. Looking at the growing demand of the Weighing Scales and to introduce a new set of exclusive scales, the Company has proposed to increase the installed capacity of manufacturing Division by setting up additional machines. Your Company seeks to be a cost effective high quality producer and is focused on maintaining its cost competitiveness in order to avail benefits of large scale production at one place.

### (E) RISKS AND CONCERNS:

The link between risk and reward has become more important for the company, as it grapples with the challenges of growing and delivering profit amidst stiff competition from global players. The world economic environment, client expectations and competitive landscape continue to evolve. In the highly competitive market subject to rapid technological changes and regulatory developments, the Company's ability to manage diverse risks determine its success. As the business environment remains challenging and scale becomes the most critical component for survival, the Company continues to invest in growth drivers namely people and processes besides the expansion plan so as to remain in the race at a good position. The Company continues to remain focused on its core competence product i.e. Weighing Scales. The Company is also prone to certain risks and concerns such as increase in material costs, competition from un-organised sector, increase in capital costs to meet the increased demand for new products. Another major source of Company's products demand is X, which mainly depends on the Y. Failure of Y will definitely affect the demand of Company's products. Low value addition and stiff competition in the market continues to have an impact on the Company's realizations and also exerts pressure on the margins.

### (F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has adequate internal control systems and procedures that are commensurate with the size and nature of its business. The system of internal control is designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or losses. During the year controls have been refined and improved. Implementation internal control policy is achieved through a clearly defined operating structure with lines of responsibility and delegated authority. The Company's operating procedure includes appropriate systems for reporting information to management. These procedures are business dependent but all significant operational business use newly upgraded systems with automated controls and reconciliation process. In addition, we have a comprehensive Management Information System involving daily MIS reporting, monthly and quarterly performance reviews. A number of processes have been instituted for monitoring the system of internal control and reporting any significant control failings or weaknesses together with details of corrective actions. The Company has well developed and adequately staffed internal audit and management audit function that work under the guidance of the Audit & Governance Committee. Their audit observation pertaining to the Company has been shared with the Audit & Governance Committee. A Management Audit team headed by Managing Director has also been formed that reviews regularly the significant internal audit observations to ensure all issues are properly addressed.



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### (G) DISCUSSION ON OPERATIONAL AND FINANCIAL PERFORMANCE:

#### Results of operations

The Audited Consolidated Financial Results are given for the Financial year ended on 31st March, 2011. The report contains review of the operations of the Company Revenues and operating expenses

The Company on consolidated basis earned total revenues of ₹ 1,879,336,622 and the consolidated net profit after tax recorded by the Company was ₹ 217,660,013. The Company incurred total consolidated operating expenses of ₹ 1,701,106,367.

Consolidated Profit before and after tax, the profit before tax was ₹ 223,168,567. The consolidated net profit after tax was ₹ 217,660,013.

### (H) HUMAN RESOURCE DEVELOPMENT:

The dedicated team of employees at Avon earns credit for the Company's performance. Industrial relations have been harmonious and morale and efficiency high. The Company believes that the human resources are vital resource in giving the Company a competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. As in the past, the Company enjoyed cordial relations with the employees at all levels.

### CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations, estimations are based on current business environment. Actual results could differ from those expressed or implied based on future economic and other development. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.



## **AVON CORPORATION LIMITED ANNUAL REPORT 2010-11**

### **PRACTICING CHARTERED ACCOUNTANT CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
Avon Corporation Limited.

We have examined the compliance of conditions of Corporate Governance by Avon Corporation Limited (the Company) for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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 has conducted the affairs of the Company.

For Atul B. Shah & Co.  
Chartered Accountants  
Registration No. 130818W

Place: Mumbai  
Date: 16.08.2011

Sd/-  
Atul B. Shah  
(Proprietor)  
Membership No. 033137

### **Declaration by Managing Director (MD) / Chief Executive Officer (CEO)**

As provided in Clause 49 of the Listing Agreement with the Stock exchange, I, Pankaj Saraiya, Managing Director of Avon Corporation Limited, hereby declare that all the Board members and senior management personnel have affirmed the compliance with the code of conduct for the year ended 31st March, 2011.

Place: Mumbai  
Date: 16.08.2011

Sd/-  
Pankaj P. Saraiya  
(Managing Director/CEO)



AVON CORPORATION LTD.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### AUDITORS REPORT

To,  
The Members.

#### **AVON CORPORATION LTD.**

We have audited the attached Balance Sheet of AVON CORPORATION LTD as on 31st March, 2011 together with Profit & Loss Account and the Cash Flow Statement for the year ended that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, the Company has kept proper books of accounts as required by Law, so far as appears from our examination of those books;
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit And Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
- e. On the basis of the written representations received from Directors of the Companies, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in the terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon given in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. In the case of Balance Sheet, of the State of Affairs of the Company as on 31st March, 2011;
2. In the case of Profit And Loss Account, of the Profit of the Company for the year ended on that date; and
3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For ATUL.B.SHAH & CO.**  
(Chartered Accountants)  
Registration No. 130818W  
Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

**Place: Mumbai.**  
**Date: 12th August 2011.**



AVON CORPORATION LTD.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2011 of Avon Corporation Limited.

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets.  
(b) The Company has a program for phased physical verification of all its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.  
(c) The company has not disposed off any substantial part of fixed assets during the year.
- 2 (a) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year.  
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed during physical verification of inventories as compared to book records were not material having regard to the size of the operations of the Company and have been dealt with in the books of account.
3. In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:  
(a) Based on the information received and the explanation given, the rate of interest and the terms and condition of loan taken is prima facie not prejudicial to the interest of the Company.  
(b) Based on the information received and the explanation given to us, the repayment of principal amount is generally regular.  
(c) Based on the information received and the explanation given to us, there is no overdue repayment of principal amount.
4. In our opinion, and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of trading goods, raw materials including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods and service. During the course of audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. (a) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956, for the year have been so entered.  
(b) There is no transaction of loan given to the party covered in the Register Maintained Under Section 301 of the Companies Act, 1956.
6. The company has accepted Fixed Deposits of Eleven Crores Thirty One Lacs Sixty Six Thousand Four Hundred Seventy Eight from the public, the directives issued by Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder are applicable. We are informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
7. In our opinion, the company has an internal audit system commensurate with the size & nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not Prescribed the maintenance of cost records under Clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. In our opinion and according to the information and explanations given to us the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

10. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. As per the information and explanations given to us by the management as at the balance sheet date, the Company has not defaulted in repayment of dues to banks or financial institutions or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies Order are not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures, and other investments, the provision of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
15. As per the information and explanation given to us, the Company has not given any guarantee for loans taken from financial institutions and / or banks by others.
16. Based on information and explanation by the management, Term Loans were applied for the purpose for which the loans were obtained.
17. In our opinion and according to the information and explanations given to us, and on overall examination of the balance Sheet and the Cash flow of the Company, we report that no funds raised on short-term basis have been used for long-term investments
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company did not raised any through a public issue during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

**For ATUL.B.SHAH & CO.**

(Chartered Accountants)  
Registration No. 130818W  
sd/-  
Atul Shah  
(Proprietor)  
Membership No. 033137

**Place: Mumbai.**

**Date: 12th August 2011.**





**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**BALANCE SHEET AS AT 31ST MARCH 2011**

	SH		AS AT 31.03.2011 (₹)		AS AT 31.03.2010 (₹)
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1		645,803,170		645,803,170
Reserves & Surplus	2		339,732,583		174,154,556
<b>LOAN FUNDS</b>					
Secured Loans	3	299,822,570		177,234,756	
Unsecured Loans	4	135,934,916	435,757,486	47,463,024	224,697,780
<b>DEFERRED TAX LIABILITY</b>					
			9,205,363		5,438,801
<b>TOTAL</b>					
			1,430,498,602		1,050,094,307
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5	205,668,902		89,761,462	
Less: Accumulated Depreciation		27,679,312		19,257,320	
Net Block			177,989,590		70,504,142
Capital Work In Progress					580,000
<b>INTANGIBLE ASSETS</b>					
Copyrights			24,000		24,000
<b>INVESTMENTS</b>					
	6	1,876,095	1,876,095	1,948,095	1,948,095
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	7	89,776,074		63,635,274	
Sundry Debtors	8	726,091,388		552,654,479	
Cash & Bank Balances	9	13,593,466		353,677,179	
Loans and Advances	10	595,005,057		189,544,577	
		1,424,465,984		1,159,511,509	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS:</b>					
Current Liabilities	11	140,084,480		148,253,794	
Provisions		45,082,570		49,876,271	
		185,167,049		198,130,065	
<b>NET CURRENT ASSETS</b>					
Miscellaneous Expenditure (To the extent not written off or adjusted)			11,309,982		15,656,626
<b>TOTAL</b>					
			1,430,498,602		1,050,094,307
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>					
	21				

Note: The schedules referred to above are an integral part of the Balance Sheet  
As per our report attached

For **ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/- Sd/-  
**Pankaj P Saraiya** **Rupal P Saraiya**  
Managing Director Whole Time Director

Sd/-  
**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-  
**Kamlesh Vyas**  
Company Secretary

**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	SH	AS AT 31.03.2011 (₹)	AS AT 31.03.2010 (₹)
<b>INCOME</b>			
Sales	12	1,170,480,851	1,166,355,467
Other Income	13	18,954,338	14,870,356
Increase/(Decrease) in Stock	14	25,979,800	8,288,343
		<b>1,215,414,989</b>	<b>1,189,514,166</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	15	567,718,321	553,498,906
Purchase ( Trading )		349,181,623	359,491,833
Direct Expenses	16	7,993,702	5,190,597
Payments to & provisions for employees	17	26,605,003	18,694,260
Administrative Expenses	18	21,342,893	75,119,624
Selling & Distribution Expenses	19	9,004,325	6,664,867
Interest & Financial charges	20	42,158,330	37,753,033
Depreciation		8,421,992	4,567,613
Miscellaneous Expenditure Written Off - IPO,GDR and Authorised Expenses Amortised		4,346,644	
		<b>1,036,772,833</b>	<b>1,068,301,998</b>
<b>Profit/(Loss) before taxation</b>		<b>178,642,156</b>	<b>121,212,168</b>
Provision for Taxation			
- Current Tax		1,741,992	1,952,926
- Deferred Tax Charge / (Credit) (Net)		3,766,562	5,358,554
			<b>113,900,688</b>
<b>NET PROFIT</b>		<b>173,133,602</b>	<b>73,710,335</b>
Balance of Profit brought forward from Previous Year		118,436,879	
Profit available for appropriation		291,570,481	187,611,023
Appropriations:			
Dividend Paid Earlier Period		-	11,231,520
Proposed Dividend & tax thereon		7,555,574	22,666,723
Transfer to General reserve		50,000,000	35,275,900
Profit carried to Balance Sheet		234,014,907	118,436,879
Earning Per Share (Basic & Diluted) (Rs.)		2.68	2.13
Nominal value of Shares (Rs.)		10.00	10.00
Significant Accounting Policies And Notes On Accounts	21		

Note: The schedules referred to above are an integral part of the Balance Sheet  
As per our report attached

**For ATUL. B. SHAH & CO.**

(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-

**Atul Shah**

(Proprietor)

**Membership No. 033137**

**Place: Mumbai.**

**Date: 12th August, 2011**

For and on behalf of the Board of Directors

**Avon Corporation Limited**

Sd/-

**Pankaj P Saraiya**

Managing Director

Sd/-

**Rupal P Saraiya**

Whole Time Director

Sd/-

**Bhupendra L Doshi**

Chief Financial Officer

Sd/-

**Kamlesh Vyas**

Company Secretary



AVON CORPORATION LTD.

**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31.03.2011**

	As At 31.03.2011 (₹)	As At 31.03.2010 (₹)
<b>SCHEDULE 1:</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
120000000 Equity Shares (Previous Year 20000000) of ₹ 10/- Each.	<u>1,200,000,000</u>	<u>1,200,000,000</u>
<b>ISSUED SUBSCRIBED &amp; PAID UP:</b>		
645,80,317 Equity Shares of Rs.10/- fully paid up	645,803,170	645,803,170
	<u>645,803,170</u>	<u>645,803,170</u>
<b>SCHEDULE 2:</b>		
<b>RESERVE &amp; SURPLUS</b>		
General Reserve		
Opening Balance	55,717,676	20,441,776
Addition during the year	<u>50,000,000</u>	<u>35,275,900</u>
	105,717,676	55,717,676
Profit & Loss Account	<u>234,014,907</u>	<u>118,436,879</u>
	<u>339,732,583</u>	<u>174,154,556</u>
<b>SCHEDULE 3:</b>		
<b>SECURED LOANS</b>		
<b>From Bank of India</b>		
( Secured by hypothecation of stocks and book debts & Equitable mortgage of Office Premises Factory Building, Plant & Machinery & Collaterally secured by Immovable property at Govindpura & Savedi, Ahmednagar and personal gaurantees of the directors )		
(I) Working Capital	233,822,570	177,234,756
<b>From Reliance Capital Ltd.</b>		
(Secured by Equitable mortgage of Office Premises of Goregaon, Mumbai and personal gaurantees of the directors )		
(I) Term Loan (CAPEX)	<u>66,000,000</u>	<u>177,234,756</u>
	<u>299,822,570</u>	<u>177,234,756</u>
<b>SCHEDULE 4:</b>		
<b>UNSECURED LOANS</b>		
From Directors / Shareholders & others	22,768,438	21,632,024
Fixed Deposits ( Public)	<u>113,166,478</u>	<u>25,831,000</u>
	<u>135,934,916</u>	<u>47,463,024</u>
<b>SCHEDULE 6:</b>		
<b>INVESTMENT</b>		
<b>Long Term-Unquoted- at Cost</b>		
<b>In Subsidiaries</b>		
1 Share of 1,50,000 AED each of Avon Corporation FZE (Foreign Subsidiaries incorporated on 02/03/2010)	1,876,095	1,876,095
	<u>1,876,095</u>	<u>1,876,095</u>



**AVON CORPORATION LIMITED  
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<b>SCHEDULE 5: AVON CORPORATION LIMITED</b>										
<b>FIXED ASSETS</b>										
<b>Schedules forming part of the accounts as at 31.03.2011</b>										
DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01.04.2010	ADDITIONS /DELETIONS DURING THE PERIOD	AS AT 31.03.2011	RATE	UPTO 31.03.2010	FOR THE YEAR	ADJUST MENT DURING THE YEAR	UPTO 31.03.11	AS AT 31.03.11	AS AT 31.03.10
<b>TRD ASSETS</b>										
Jewellery	103,907	-	103,907	-	-	-	-	-	103,907	103,907
Office Premises	4,428,070	85,939,230	90,367,300	5.00	1,427,411	607,074	-	2,034,485	88,332,815	3,000,659
Office Equipment	1,445,732	4,069,500	5,515,232	13.91	625,601	341,100	-	966,701	4,548,531	820,131
Furniture & Fixture	2,535,845	86,957	2,622,802	18.10	1,710,047	157,307	-	1,867,355	755,447	825,798
Electronic Equipments	3,334,546	21,811,732	25,146,278	40.00	2,869,015	884,271	-	3,753,286	21,392,992	465,531
Immovable Property	14,415,230	-	14,415,230	-	-	-	-	-	14,415,230	14,415,230
Vehicle	195,306	3,257,649	3,452,955	25.89	49,595	141,706	-	191,301	3,261,654	145,711
<b>TOTAL A</b>	<b>26,458,636</b>	<b>115,165,068</b>	<b>141,623,704</b>		<b>6,681,670</b>	<b>2,131,458</b>	<b>-</b>	<b>8,813,128</b>	<b>132,810,576</b>	<b>19,776,966</b>
<b>SSI ASSETS</b>										
Office Equipment	22,807,779	399,487	23,207,266	13.91	4,192,567	2,620,932	-	6,813,499	16,393,767	18,615,212
Electronic Components	6,326,109	-	6,326,109	15.62	3,007,631	518,346	-	3,525,978	2,800,131	3,318,478
Factory Premises	32,333,743	44,170	32,377,913	10.00	4,616,043	2,774,408	-	7,390,451	24,987,462	27,717,700
Furniture & Fixture	619,511	192,715	812,226	18.10	141,464	99,428	-	240,892	571,334	478,047
Electronic Equipments	1,172,684	106,000	1,278,684	40.00	603,827	269,943	-	873,770	404,914	568,857
Vehicle	43,000	-	43,000	25.89	14,116	7,478	-	21,594	21,406	28,884
<b>TOTAL B</b>	<b>63,302,826</b>	<b>742,372</b>	<b>64,045,198</b>		<b>12,575,650</b>	<b>6,290,535</b>	<b>-</b>	<b>18,866,185</b>	<b>45,179,013</b>	<b>50,727,176</b>
<b>TOTAL A+B</b>	<b>89,761,462</b>	<b>115,907,440</b>	<b>205,668,902</b>		<b>19,257,320</b>	<b>8,421,992</b>	<b>-</b>	<b>27,679,312</b>	<b>177,989,590</b>	<b>70,504,142</b>
Previous Year	76,196,095	13,565,367	89,761,462		11,936,055	7,321,265		19,257,320	70,504,142	64,260,036

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**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31.03.2011**

	As At 31.03.2011 (₹)	As At 31.03.2010 (₹)
<b>SCHEDULE 7:</b>		
<b>INVENTORIES</b>		
( at the lower of cost or net realisable value )		
( i ) Raw Materials	26,616,448	26,455,448
( ii ) Mfg. Finished Goods	14,311,580	9,221,402
( iii ) Trading Finished Goods	48,848,046	27,958,424
	<u>89,776,074</u>	<u>63,635,274</u>
<b>SCHEDULE 8:</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured considered good, unless as otherwise stated)		
A. Exceeding 6 months		
Considered Good	187,457,079	167,969,425
Considered Doubtful	-	7,001
	<u>187,457,079</u>	<u>167,976,426</u>
Less: Provision for doubtful debts	-	7,001
	187,457,079	167,969,425
B. Other Debts Less than 6 Months	538,634,309	384,685,054
	<u>726,091,388</u>	<u>552,654,479</u>
<b>SCHEDULE 9:</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	2,987,541	2,160,024
Balances with Scheduled banks		
In Current Account	3,298,555	343,780,910
(Incl. Lying with Euram Bank, Austria Rs. 34,16,71,752/-)		
In Deposit Account	7,307,370	7,736,245
	<u>13,593,466</u>	<u>353,677,179</u>
<b>SCHEDULE 10:</b>		
<b>LOANS &amp; ADVANCES</b>		
Advance to suppliers	310,676,007	149,685,133.94
Advance Income tax & TDS	12,199,459	10,309,243.55
Work Contract Tax Receivable	247,878	247,878.00
Sales Tax Paid	445,000	2,844,594
Commission Receivable (AND)	1,467,389	1,467,389
Service Tax -Set off	1,427,676	199,695
Prepaid Expenses	732,946	213,696
Interest Accrued On FDR/ SDR	207,824	207,824
Loans to Others	11,586,930	8,586,931
Loans to Staff & Imprest Money	2,267,317	2,595,450
Deposits	14,042,428	13,186,742
Stamp duty Receivable	239,704,203	-
	<u>595,005,057</u>	<u>189,544,577</u>

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**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31.03.2011**

	As At 31.03.2011 ₹	As At 31.03.2010 ₹
<b>SCHEDULE 11:</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
<b>Sundry Creditors :</b>		
For Expenses	3691315	6884826
For Goods	<u>121890885</u>	<u>125582200</u>
<b>Advance from customers:</b>	270914	141947960
<b>Other Liabilities</b>	<u>14231366</u>	<u>213736</u>
	<u>140084480</u>	<u>6092099</u>
		<u>148253794</u>
<b>B. PROVISIONS</b>		
Provision for Taxation	25982120	24240128
Provision for Dividend	13309262	24918900
Provision for F.B.T	76318	76318
Provision for Maharashtra Labour Welfare Fund	2640	2640
Provision for Gratuity	524825	197856
Provision for Interest on Fixed Deposits	5187404	440428
	<u>45082570</u>	<u>49876270</u>
	<u>185167049</u>	<u>198130065</u>
<b>SCHEDULE 12:</b>		
<b>SALES</b>		
Manufacturing Sales	810587729	792824092
Trading Sales	<u>359893122</u>	<u>373531375</u>
	<u>1170480851</u>	<u>1166355467</u>
<b>SCHEDULE 13:</b>		
<b>OTHER INCOME</b>		
Maintenance & Service charges	1890058	1961311
Disc & Sundry Balance W/off	205256	362263
Other misc income	49295	22556
Branding Income	0	20522
Commission Income	0	667685
Forex Fluctuation	1908555	0
Interest Income	<u>14901173</u>	<u>11836019</u>
	<u>18954338</u>	<u>14870356</u>
<b>SCHEDULE 14:</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
<b>Closing Stock:</b>		
Manufactured Finished Goods	14311580	9221402
Trading Finished Goods	48848046	27958424
	63159626	37179826
<b>Less: Opening Stock</b>		
Manufactured Finished Goods	9221402	3867603
Trading Finished Goods	<u>27958424</u>	<u>25023880</u>
	<u>37179826</u>	<u>28891483</u>
	<u>25979800</u>	<u>8288343</u>
<b>SCHEDULE 15:</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	26455448	3461550
Add: Purchases	567879321	576492805
	594334769	579954355
Less: Closing Stock	<u>26616448</u>	<u>26455448</u>
	<u>567718321</u>	<u>553498906</u>



**AVON CORPORATION LIMITED**  
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**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31.03.2011**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>SCHEDULE 16:</b>		
Direct Expenses		
Direct Expenses for clearing	7993702	5190597
	<u>7993702</u>	<u>5190597</u>
<b>SCHEDULE 17:</b>		
<b>PAYMENTS TO AND PROVISIONS</b>		
FOR EMPLOYEES		
Salary, Wages & Bonus, Leave	17447466	13642002
Director's Remuneration	7320000	4000000
Employer's PF Contribution	412458	475135
Leave Salary	139823	157029
Employer's ESIC Contribution	108271	36515
Reduction in Gratuity provision	377019	-314410
Mediclaime	8187	8411
Staff welfare expenses	266700	219604
Interest on salary payable	52046	103083
Maharashtra Labour welfare fund	4896	4176
Foods & Beverages	278183	222561
Recruitment Charges	144496	79323
PF Admin Charges	42958	58331
Professional Tax	2500	2500
	<u>26605003</u>	<u>18694260</u>
<b>SCHEDULE 18:</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
AMC Charges	675285	103810
Auditors Remuneration	200000	404500
Certification & Inspection Charges	27328	61600
Credit card Expenses	164882	441059
Computer expenses	583152	426949
Conveyance Expenses	449462	423990
Consultancy charges	1475617	628117
Custodial fees - GDR	100000	-
Documentation Charges & Entrance fees	766372	-
Electricity Charges	800196	672672
Export Insurance Premium	-49	323328
Foreign Travelling Expenses	89890	129531
Forex Loss	-	58068741
Insurance premium	64595	33526
Installation Charges	813460	1110
Legal Expenses	1335601	42172
Listing Fees	63750	526464
Loading Charges	14402	172612
Lodging Charges	226411	38394
Internship expenses	163156	-
Membership & Subscription	2564	3618
Motor Car Expenses	61634	63812
contract charges	1282379	-
Miscellaneous Expenses	45575	38905
Office Expenses	640156	295900
Petrol Expenses	4300	6500
Postage & Courier Charges	1456144	1355454
Printing & Stationery	1296101	1575046
Loan processing fees	2101676	-
Professional Fees	1307721	714000
Registration charges	1500	-
Rent, Rates & Taxes	1810087	4007735
Renewal Fees	10774	-
Research & Development	426782	378128

**AVON CORPORATION LIMITED**  
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**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31.03.2011**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
R & T Service Charges	427423	54298
Repair & Maintainance	395135	135323
Service Charges	3300	4591
Stamping charges	-	165175
security charges	519094	-
Telephone & Fax Charges	870290	558668
Prior period Expenses	677522	3253123
	<b>21342893</b>	<b>75119624</b>

**SCHEDULE 19:  
SELLING AND DISTRIBUTION EXPENSES**

Commission expenses	516946	2000387
Advertising Expenses	4111728	829691
Bad debts	308250	368454
Delivery Charges	14882	1201258
Transport Charges	416251	119231
Travelling Expenses	582880	230878
Exhibition Expenses	2929411	868030
Sales promotion expenses	67400	14300
Tender Fees	50551	81206
Discount Paid	6026	884142
Sales Tax	-	67290
	<b>9004325</b>	<b>6664867</b>

**SCHEDULE 20:  
INTEREST & FINANCIAL CHARGES**

Bank Interest	29872852	23416805
Bank Charges & Commission	2496074	1654224
Bank charges (GDR)	-	10478166
Interest on Loans	680774	1745192
Interest on Fixed Deposits	8932315	458646
Other financial expenses	176315	-
	<b>42158330</b>	<b>37753033</b>

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)

**Membership No. 033137**

**Place: Mumbai.**  
**Date: 12th August, 2011**

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/- **Pankaj P Saraiya**      Sd/- **Rupal P Saraiya**  
Managing Director      Whole Time Director

Sd/-  
**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-  
**Kamlesh Vyas**  
Company Secretary



AVON CORPORATION LTD.



**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

	AS AT 31.03.2011 in Lacs	AS AT 31.03.2010 in Lacs
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	178,642,156	121,212,168
Adjustment for :	-	-
Depreciation	8,421,992	7,321,265
Interest & Financial Charges	42,158,330	37,753,033
Interest & Discount Received	(205,256)	(362,263)
Loss/(Profit) on sale of Fixed Assets	-	-
Misc Exp of IPO, GDR & Authorised Capital Increase	4,346,644	4,567,613
<b>Operating profit before working capital changes</b>	<b>233,363,866</b>	<b>170,491,816</b>
<b>Adjustment for :</b>		
Increase / Decrease in Inventories	(26,140,800)	(31,282,241)
Increase in Sundry debtors	(173,436,909)	(31,068,519)
Increase in Loan & Advances	(405,460,480)	(18,809,724)
Decrease in Current Liabilities	8,169,314	(180,639,179)
Cash Generated from operation	(363,505,009)	(91,307,847)
Less : Direct taxes refund / (paid)-net	6,083,185	10,309,244
<b>Net cash generated from operating activities</b>	<b>(369,588,194)</b>	<b>(101,617,091)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets & Intangible Assets	(115,907,440)	(18,232,247)
Sales/Adjustments of Fixed Assets	-	-
Capital Work In Progress	-	-
Interest & Discount received	(205,256)	(362,263)
<b>Net cash used in investing activities</b>	<b>(116,112,696)</b>	<b>(18,594,510)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Financial Charges paid	(42,158,330)	(37,753,033)
Dividend & Dividend Tax Paid	(7,555,574)	(22,666,723)
IPO Expenses	(15,656,626)	(20,224,239)
Proceeds from issue of equity shares	-	480,000,000
Application money Received	-	-
Proceeds from Borrowings	211,059,706	68,666,892
Increase/(Decrease) in Investment	(72,000)	-
<b>Net cash used in Financing activities</b>	<b>145,617,176</b>	<b>468,022,898</b>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<b>(340,083,714)</b>	<b>347,811,297</b>
Cash and Cash equivalents at the beginning of the year	353,677,179	5,865,882
<b>Cash and Cash equivalents at the end of the year</b>	<b>13,593,465</b>	<b>353,677,179</b>
Components of cash and cash equivalents as at 31st March	<b>2,011</b>	<b>2,010</b>
Cash On Hand	2,987,541	2,160,024
With Banks - On Current account	3,298,555	343,780,910
- On Deposit account	7,307,370	7,736,245
	<b>13,593,466</b>	<b>353,677,179</b>
Notes: 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement" issued by The ICAI of India.		
2) Figures in the brackets indicate outflow		

As per our report of even date

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/-  
**Pankaj P Saraiya** Managing Director  
Sd/-  
**Rupal P Saraiya** Whole Time Director

Sd/-  
**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-  
**Kamlesh Vyas**  
Company Secretary

# AVON CORPORATION LIMITED

## ANNUAL REPORT 2010-11

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### SCHEDULE - 21

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION:

The financial statements have been prepared to comply in all respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provision of the Companies Act, 1956 ("the Act").

The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

##### 2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingents liabilities at the date of the financial statements and the results of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

##### 3. FIXED ASSETS AND DEPRECIATION :

###### 3.1 FIXED ASSETS:

Fixed Assets are stated at Cost of Acquisition inclusive of all incidental expenses incurred towards acquisition and installation thereof.

###### 3.2 DEPRECIATION:

Depreciation on fixed assets is provided on Written down value method at the rates and in the manner prescribed under schedule – XIV of the Companies Act, 1956. Depreciation on fixed assets acquired during the year is provided from date the said Assets have been put to use as certified by the management.

##### 4. IMPAIRMENT OF ASSETS :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and Loss Account in the current accounting year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS-28) on "Impairment of Assets".

##### 5. INVESTMENTS:

###### 5.1 Long Term

Long-term investments including investment in the shares of foreign subsidiary(100%) are stated at cost. Provision for diminution in value of long-term investments if any is made, if such diminution is other than of temporary nature.

###### 5.2 Short Term

Current Investment are carried at lower of cost or market value.

##### 6. INVENTORIES :

Inventories are valued as follows:

- (i) Inventories of raw materials, work-in-process, finished goods, and stores & spares are valued at lower of cost and net realizable value.
- (ii) Cost of Imported raw material and stock in bond include custom duty thereon. Cost of Stock in transit include cost incurred up to the date of Balance Sheet.
- (iii) Cost of WIP & finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location.



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 7. BORROWING COSTS:

Borrowing cost relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessary takes substantial period of time to get ready for its intended use/sale. All other borrowing costs not eligible for inventorisation / capitalizations are charged to revenue.

### 8. RECOGNITION OF INCOME:

The Company generally follows the mercantile system of accounting

- a. Sales are accounted for exclusive of sales tax.
- b. Revenue is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer or no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.
- c. Purchases are accounted net of vat/cenvat availed thereon.
- d. Maintenance & Services are accounted inclusive of service tax.
- e. Interest income is recognized on time proportion basis.

### 9. EMPLOYEE BENEFITS:-

#### (i) Short Term Employee Benefits:

The employees of the company are entitled to leave encashment as per the leave policy of the company. The liability in respect of leave encashment which is expected to be encashed / utilised within twelve months after balance sheet date is considered to be of short term nature. The same is provided, based on an actuarial valuation carried out by an independent actuary as at the year end.

#### (ii) Long Term Employee Benefits :

##### **Defined Contribution Plans**

The Company has defined contribution plans for post employment benefits namely provident fund.

Under the provident fund plan, the company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The company contributes to state plans namely employee's pension scheme, 1995 and has no further obligation beyond making its contribution

The Company contribution to the above funds are charged to revenue every year.

##### **Defined Benefits Plans**

The Company has a defined benefits plan namely Gratuity and leave encashment for all its employees.

Long Term leave encashment includes provision for leave which is expected to be encashed / utilised after twelve months from balance sheet date.

Liability for defined benefit plan is provided on the basis of valuations, as at balance sheet date, carried out by an independent actuary. The actuarial valuation used by independent actuary for measuring the liability is the projected unit credit method.

Termination benefits are recognised as an expenses as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the profit and loss account as income or expenses

### 10. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are accounted at the rates prevailing on the date of the transaction. Transactions are not covered by forward exchange contract. Current assets and liabilities are translated at the exchange rate ruling on the date of balance sheet. Any income or expenses on account of exchange difference either on payment or on translation are recognized in the profit and loss account except in cases where these relate to acquisition of fixed assets, the same are adjusted in the cost of the fixed assets.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 11. TAXES ON INCOME:

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income." The deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognized only if there is a reasonable certainty that the assets will be realized in future. Deferred Tax is recognized, subject to the consideration of prudence of, on timing differences, being the difference between taxable incomes and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

### 12. PROVISIONS, CONTINGENTS LIABILITIES & CONTINGENT ASSETS:

A provision is recognized when an enterprise has a present obligation as a result of past even; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not provided for in this account, and if any, the same is reflected in notes on account. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 13. SEGMENT REPORTING:

The main business of the Company is Manufacture, supply, installation, commissioning and servicing of all types of weighing systems, and all other related activities which the Company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) pm "Segment Reporting."

### 14. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for the event of fresh issue of shares to the public. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## II. NOTES FORMING PART OF ACCOUNTS

### 1. LIABILITY AND ASSETS

Balances grouped under Sundry Debtors, Sundry Creditor, and Advances from Customers and Advances Recoverable in cash or in kind are subject to confirmation from respective parties.

### 2. SECURED LOAN

Secured loans - security and other particulars :

(i) Term Loans & working capital loans from Banks/NBFC are secured by way of Mortgage/ Hypothecation of Moveable/Immovable assets.

(ii) Term Loans & working capital loans are further secured by personal guarantees of Executive Chairman and/or the Managing Directors.

### 3. PREPAID EXPENSES:

Financial expense incurred during the current accounting period which provides benefit in several accounting period has been treated as revenue expense only for the period relating to the current accounting period and balance is treated as prepaid expenses to be adjusted on pro rata basis in the future accounting period.

### 4. FOREIGN CURRENCY TRANSACTIONS:

The company has carried out intermediary trade transactions in course of Export & Import of goods & Foreign Exchange Fluctuation Loss of Rupees Nineteen Lacs Eight Thousand Five Hundred Fifty Five Only during the year.



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 5. INVENTORY

Stock at the end of the year is taken based on the physical verification conducted by the management.

### 6. BENEFITS TO EMPLOYEES:

The Company follows Accounting Standard 15 (Revised 2005) 'Employee Benefits'. It has classified the various employee benefits provided to employees as under :-

#### I. Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Particulars	Year ended March 31, 2011 (in ₹)
Employers' Contribution to Provident Fund, ESIC	102871
Employers' Contribution to Superannuation Fund	Nil

\* Included in Contribution to provident and other funds (Refer Schedule 17)

#### II. Defined Benefit Plans

##### Contribution to Gratuity Fund

In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the the following assumptions:

Assumptions	As at March 31, 2011
Discount Rate (per annum) Previous	8.00%
Rate of increase in Compensation levels - Previous	6.00%
Discount Rate (per annum) Current	8.25%
Rate of increase in Compensation levels - Current	6.00%

**AVON CORPORATION LIMITED**  
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**a) Changes in the Present Value of Obligation**

	As at March 31, 2011 (in ₹)
Present Value of Obligation at the beginning of the year	1,97,856
Interest Cost	0
Current Service Cost	0
Current Service Cost	0
Curtailment Cost / (Credit)	0
Settlement Cost / (Credit)	0
Benefits Paid	0
Actuarial (gain) / loss on obligations	1,29,113
Present Value of Obligation as at Year end.	3,26,969

**b) Recognition of Transitional Liability**

	As at March 31, 2011 (in ₹)
Transition Liability at start	0
Transition Liability Recognised during the Year	0
Transition Liability at end	0



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**c) Amount Recognised in the Balance Sheet**

	As at March 31, 2011 ( in ₹ )
Present Value of funded obligation as at the year end	(326969)
Fair Value of Plan Assets as at the end of the year	0
Difference	(326969)
Unrecognised Past Service Cost	0
Unrecognised Transition Liability	0
Amount Recognised in the Balance Sheet	(326969)

\*\* Included in Provisions (Refer Schedule17)

**d) Expenses Recognises in the Income Statement**

	As at March 31, 2011 (in ₹ )
Current Service Cost	0
Interest Cost	0
Expected Return in Plan Assets	0
Past Service Cost ( Non Vested Benefit ) Recognised	0
Past Service Cost ( Vested Benefit ) Recognised	0
Recognition of Transition Liability	0
Acturial Gain or Loss	(1,29,113)
Expense Recognises in P & L	0
<b>Liability recognised in the Balance Sheet</b>	<b>(326969)</b>

\*\*\* Included in Provisions (Refer Schedule 17)

**AVON CORPORATION LIMITED  
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**e) Balance Sheet Reconciliation**

	March 31, 2011 (in ₹)
Opening Net Liability	197856
Expenses as above	0
Employers Contribution	1,29,113
Amount Recognised in Balance Sheet	326969

**7. MICRO, SMALL AND MEDIUM ENTERPRISE**

The identification of micro, small and medium enterprises suppliers as defined under the provisions of "Micro, small and medium enterprises development Act, 2006" is based on Management's Knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31,2011.

**8. FOREIGN EXCHANGE EARNING AND OUTGO**

Total Foreign Exchange earned:	2010 - 2011	2009 - 2010
a) From Export	₹ NIL	₹ 46045988
b) Advance recd from Debtors	₹ _____	₹ _____

Total Foreign Exchange outgo:		
a) For Purchase	₹ 13284154	₹ 48137327
b) For Travel	₹ 89890	₹ 129531





## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 9. AUDITOR'S REMUNERATION COMPRISES OF THE FOLLOWING:

Particulars	2010 - 2011 Amount (₹)	2009 - 2010 Amount (₹)
Audit Fees	2,00,000	4,09,500
Taxation Matters	-	-
Certification fees	-	-
<b>Total</b>	<b>2,00,000</b>	<b>4,09,500</b>

### 10. DEFERRED TAX ASSETS:

The Company has recognized deferred tax arising on account of timing difference, being the difference between the taxable income and accounting income, that originated in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS-22) Accounting for Taxes on Income issued by Institute of Chartered Accountants of India.

Particulars	As on 31.03.2011 (in ₹)	As on 31.03.2010 (in ₹)
Arising on account of timing difference between Depreciation as per Income Tax Act, 1961 and Companies act, 1956 & Other items	92,05,363	54,38,801

### 11. COMMITMENTS AND CONTINGENT LIABILITIES

Note - Contingent Liabilities for Current period is NIL and for previous year was also NIL.

### 12. EARNING PER SHARE

Basic Earnings per share	2010 - 11	2009 - 10
Profit after tax as per profit & loss Account	₹ 17,31,33,602	₹ 11,38,900,687
Weighted average no. of equity shares of basic	6,45,80,317	5,35,33,742
Basic Earnings per share ( In Rs.)	₹ 2.68	₹ 2.13

### 13. RELATED PARTY TRANSACTION

Information on Related party transaction as required by Accounting Standard (AS 18) for the year ended 31st March, 2011.

(a) Related parties where control exists

Subsidiaries Avon Corporation FZE

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### (b) Key management personnel

Mr. Pankaj saraiya	Managing Director
Mrs. Rupal saraiya	Whole Time Director
Mrs. Shantaben P. Saraiya	Director
Mr. R. M. Joshi	Director
Mr. Anmol Sekhri	Director
Mr. Gopal Krishan Sharma	Director

### (c) Relative of Key management personnel

Mr. Pratapsinh saraiya  
Mr. Bhupendra Doshi

### (d) Details of related party transactions

Particulars of Transactions	Key management personnel		Relatives of Key management personnel		Subsidiaries	
	2010-11 ₹	2009-10 ₹	2010-11 ₹	2009-10 ₹	2010-11 ₹	2009-10 ₹
Investments	-	-	-	-	18,76,095	18,76,095
Remuneration	66,00,000	40,00,000	10,15,680	8,40,000	-	-
Repayment of Loan	1,57,21,662	7,88,500	-	-	-	-
Loan Received during the year	2,09,20,577	1,15,70,000	-	-	-	-
Loan Given during the year	-	-	-	-	239,704,203	-

### 14. Information pursuant to the provisions of para 3,4C & 4D of part II of Schedule "VI" to the Companies Act, 1956, (as certified by the management).

a) Raw Materials Consumption						
Description of Goods	Year ended March 31, 2011			Year ended March 31, 2010		
	Unit	Quantity	₹	Unit	Quantity	₹
Weighing machines & components	Nos	195180	567718321	Nos	192174	55,34,98,906
	Nos	195180	567718321	Nos	192174	55,34,98,906

b) Break Up of Imported and Indigenous Raw Materials, Stores and Spares Consumption				
Description of Goods	Year ended March 31, 2011		Year ended March 31, 2010	
	₹	%	₹	%
Raw Materials :	522755030	92.08%	553148043	99.94%
Stores and Spares	44963291	07.92%	350863	00.06%
	<b>567718321</b>	<b>100.00</b>	<b>553498906</b>	<b>100.00</b>



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

c) Value of Imports ( C & F Basis)	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Raw Material	4935730	576492805
Trading Goods	8348425	45945978
	13284154	622439783

\* The above information is disclosed on C & F basis since the company has taken a global insurance policy for all stocks, hence it is not possible to allocate the same to individual purchases.

d) Expenditure in Foreign Currency	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Foreign Travel	89890	1,29,531
Advertisement	NIL	NIL
	₹ 89890	₹ 1,29,531

e) Earning in Foreign Currency	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Export of Goods ( F.O.B Value)	₹ NIL	₹ 4,60,45,988

### f) Information for each class of goods manufactured/traded

(i) Licensed, Installed And Utilised capacity	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Licensed Capacity	400000	400000
Installed Capacity	100000	100000
Utilised Capacity	67238	52019

(ii) Purchases / Production, Turnover & Closing stock of Manufactured Finished and Traded goods.		
Manufactured Goods	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Weighing Machines	Quantity	Quantity
Finished Goods	Unit	Unit
(i) Opening Stock	22570	37575
(ii) Production	66244	34537
(iii) Sales	52723	49542
(iv) closing Stock	36091	22570

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### g) Supplementary data as required under schedule VI to the Companies Act, 1956

Managing Director's Remuneration	As at 31st March 2011	As at 31st March 2010
Salary	₹ 66,00,000	₹ 40,00,000
Contribution to Provident Fund	-	-
Leave Travel Allowances	-	-
Leave Encashment	-	-
Reimbursement of Medical Expenses	-	-
<b>Total</b>	<b>₹ 66,00,000</b>	<b>₹ 40,00,000</b>

(iii) TRADED GOODS	Units	Year ended March 31, 2011		Year ended March 31, 2010	
		Quantity	Value (₹)	Quantity	Value (₹)
Weighting Machines					
(i) Opening Stock	Nos	13454	27958424	33235	25023880
(ii) Purchases	Nos	53233	349181623	38964	359491833
(iii) Sales	Nos	51035	328292001	58745	356557289
(iv) Closing Stock	Nos	15652	48848046	13454	27958424

#### 15. PREVIOUS YEAR COMPARATIVES FIGURE

Previous period's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification.

#### 16. Information pursuant to part – IV of Schedule VI regarding Balance Sheet abstract and Company's General business profile:

( i ) Registration Details	
Registration No.	118640
State Code	11
Balance Sheet Date	31-03-2011

( ii ) Capital raised during the year	Amount ( ₹ )
Public Issue	Nil
Global Depository Reciept	Nil
Private Placement	Nil
Right Issue	Nil
Bonus Issue	Nil
Preferential Allotment	Nil



**AVON CORPORATION LIMITED**  
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<b>( iii ) Position of Mobilisation and Deployment of Funds</b>	<b>Amount ( ₹ )</b>
Total Liabilities	185167049
Total Assets	1424465984
<b>( a ) Sources of Funds</b>	
Paid up Capital	64,58,03,170
Share Application Money	Nil
Reserve & Surplus	339732583
Deferred Tax Liability	9205363
Secured Loans	299822570
Unsecured Loans	135934916
<b>( b ) Application of Funds</b>	
Net Fixed Assets	177989590
Capital W.I.P	Nil
Intangible Assets	24,000
Investment	18,76,095
Net Current Assets	1239298935
Miscellaneous Expenditure	11309982
Deferred Tax Asset	Nil
<b>( c ) Performance of Company</b>	
Turnover	1170480851
Total Expenditure	1036772833
Profit/(Loss) before taxation	178642156
Profit/(Loss) after taxation	173133602
Earning per Share ( Annualised )	2.68
Dividend ( Pro-rata basis )	1.00

**17. SCHEDULES TO ACCOUNTS**

Schedules 1 to 16 form an integral part of the Balance Sheet and Profit and Loss Account and are duly authenticated.

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/- **Pankaj P Saraiya** Managing Director  
Sd/- **Rupal P Saraiya** Whole Time Director

Sd/- **Bhupendra L Doshi**  
Chief Financial Officer

Sd/- **Kamlesh Vyas**  
Company Secretary

## **AVON CORPORATION LIMITED ANNUAL REPORT 2010-11**

### **Auditors Report On Consolidated Financial Statements**

**The Board of Directors,  
Avon Corporation Limited**

We have audited the attached Consolidated BalanceSheet of Avon Corporation Limited and its subsidiary as at 31st March 2011, and also the Consolidated Profit & Loss Account and Consolidated Cash Flow statement for the year ended on that date, both annexed thereto, (hereinafter collectively referred as "financial statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. On the basis of written representations received from the directors and taken on records by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) to Section 274 of the Act;
4. We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 2861.06 Lacs as at 31st March, 2011 and total revenues of Rs. 7088.56 Lacs for the year ended on that date and whose financial statements reflect profit of the company Rs.445.26 Lacs for the year ended on that date as considered in the Consolidated financial statements. These Financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of the other auditors.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) In the case of the consolidated balancesheet, of the state of affairs of the group as at March 31st, 2011;
  - b) In the case of consolidated profit and loss account, of the profit for the year ended on that date; and
  - c) In the case of consolidated cash flow statement, of the cash flow for the year ended on that date.

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

**Sd/-**  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011



AVON CORPORATION LTD.

**AVON CORPORATION LIMITED**  
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**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011**

	SH		As At 31.03.2011 ₹	As At 31.03.2010 ₹
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	1		645,803,170	645,803,170
Reserves & Surplus	2		384,258,994	174,154,556
<b>LOAN FUNDS</b>				
Secured Loans	3	299,822,570		177,234,756
Unsecured Loans	4	135,934,916	435,757,486	224,697,780
<b>DEFERRED TAX LIABILITY</b>			9,205,363	5,438,801
<b>TOTAL</b>			<b>1,475,025,013</b>	<b>1,050,094,307</b>
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	5	206,753,531		89,761,462
Less: Accumulated Depreciation		27,733,543		19,257,320
Net Block			179,019,988	70,504,142
Capital Work In Progress			-	580,000
<b>INTANGIBLE ASSETS</b>				
Copyrights			24,000	24,000
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	7	89,776,074		63,635,274
Sundry Debtors	8	1,267,862,542		552,654,479
Cash & Bank Balances	9	18,386,563		355,625,274
Loans and Advances	10	355,300,854		189,544,577
		1,731,326,032		1,161,459,604
<b>LESS: CURRENT LIABILITIES AND PROVISIONS:</b>				
Current Liabilities	11	401,644,419		148,253,794
Provisions		45,082,570		49,876,271
		446,726,989		198,130,065
<b>NET CURRENT ASSETS</b>			<b>1,284,599,043</b>	<b>963,329,539</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)			11,381,982	15,656,626
<b>TOTAL</b>			<b>1,475,025,013</b>	<b>1,050,094,307</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	21			

Note: The schedules referred to above are an integral part of the Balance Sheet  
As per our report attached

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-

**Atul Shah**  
(Proprietor)

**Membership No. 033137**

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/-

**Pankaj P Saraiya**  
Managing Director

Sd/-

**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-

**Kamlesh Vyas**  
Company Secretary

Sd/-

**Rupal P Saraiya**  
Whole Time Director

**AVON CORPORATION LIMITED**  
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**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	SH	As At 31.03.2011 ₹	As At 31.03.2010 ₹
<b>INCOME</b>			
Sales	12	1,879,336,622	1,166,355,467
Other Income	13	18,958,512	14,870,356
Increase/(Decrease) in Stock	14	25,979,800	8,288,343
		<b>1,924,274,935</b>	<b>1,189,514,166</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	15	567,718,321	553,498,906
Purchase ( Trading )		1,006,981,321	359,491,833
Direct Expenses	16	7,993,702	5,190,597
Payments to & provisions for employees	17	30,804,803	18,694,260
Administrative Expenses	18	23,589,975	75,119,624
Selling & Distribution Expenses	19	9,004,325	6,664,867
Interest & Financial charges	20	42,191,053	37,753,033
Depreciation		8,476,223	7,321,265
Miscellaneous Expenditure Written Off - IPO, GDR and Authorised Expenses Amortised		4,346,644	4,567,613
		<b>1,701,106,367</b>	<b>1,068,301,998</b>
<b>Profit/(Loss) before taxation</b>		<b>223,168,567</b>	<b>121,212,168</b>
Provision for Taxation			
- Current Tax		1,741,992	1,952,926
- Deferred Tax Charge / (Credit) (Net)		3,766,562	5,358,554
<b>NET PROFIT</b>		<b>217,660,013</b>	<b>113,900,688</b>
Balance of Profit brought forward from Previous Year		118,436,879	73,710,335
Profit available for appropriation		<b>336,096,892</b>	<b>187,611,023</b>
Appropriations:			
Dividend Paid Earlier Period		-	11,231,520
Proposed Dividend & tax thereon		7,555,574	22,666,723
Transfer to General reserve		50,000,000	35,275,900
Profit carried to Balance Sheet		<b>278,541,318</b>	<b>118,436,879</b>
Earning Per Share (Basic & Diluted) (Rs.)		<b>3.37</b>	<b>2.13</b>
Nominal value of Shares (Rs.)		<b>10.00</b>	<b>10.00</b>
Significant Accounting Policies And Notes On Accounts	21		

Note: The schedules referred to above are an integral part of the As per our report attached

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/-  
**Pankaj P Saraiya**      **Rupal P Saraiya**  
Managing Director      Whole Time Director

Sd/-  
**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-  
**Kamlesh Vyas**  
Company Secretary



**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**Schedules forming part of the consolidated accounts as at 31ST March 2011**

	As At 31.03.2011 ₹	As At 31.03.2010 ₹
<b>SCHEDULE 1:</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
120000000(P.Y. 120000000) Equity Shares of Rs. 10/- Each.	<u>1,200,000,000</u>	<u>200,000,000</u>
<b>ISSUED SUBSCRIBED &amp; PAID UP:</b>		
6.45,80,317 Equity Shares of Rs.10/- fully paid up	<u>645,803,170</u>	<u>645,803,170</u>
	<u>645,803,170</u>	<u>645,803,170</u>
<b>SCHEDULE 2:</b>		
<b>RESERVE &amp; SURPLUS</b>		
General Reserve		
Opening Balance	55,717,676	20,441,776
Addition during the year	50,000,000	35,275,900
	<u>105,717,676</u>	<u>55,717,676</u>
Profit & Loss Account	<u>278,541,318</u>	<u>118,436,879</u>
	<u>384,258,994</u>	<u>174,154,556</u>
<b>SCHEDULE 3:</b>		
<b>SECURED LOANS</b>		
<b>From Banks</b>		
( Secured by hypothecation of stocks and book debts& Equitable mortgage of (I) Working Capital	233,822,570	177,234,756
	-	-
<b>From Reliance Capital Ltd.</b>		
( Secured by Equitable mortgage of Office Premises of Goregaon, Mumbai and (I) Term Loan (CAPEX)	66,000,000	-
	<u>299,822,570</u>	<u>177,234,756</u>
<b>SCHEDULE 4:</b>		
<b>UNSECURED LOANS</b>		
From Directors / Shareholders & others	22,768,438	21,632,024
Fixed Deposits ( Public)	<u>113,166,478</u>	<u>25,831,000</u>
	<u>135,934,916</u>	<u>47,463,024</u>
<b>SCHEDULE 6:</b>		
<b>INVESTMENT</b>		
	-	-
	-	-
<b>SCHEDULE 7:</b>		
<b>INVENTORIES</b>		
( at the lower of cost or net realisable value )		
( i) Raw Materials	26,616,448	26,455,448
(ii) Mfg. Finished Goods	14,311,580	9,221,402
(iii) Trading Finished Goods	<u>48,848,046</u>	<u>27,958,424</u>
	<u>89,776,074</u>	<u>63,635,274</u>



**AVON CORPORATION LIMITED  
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SCHEDULE 5: Schedules forming part of the consolidated accounts as at 31.03.2011										Amt in ₹	
DESCRIPTION OF ASSETS	GROSS BLOCK		ADDITIONS /DELETIONS DURING THE PERIOD	AS AT 31.03.2011	RATE (%)	DEPRECIATION		ADJUSTMENT DURING THE YEAR	UPTO 31.03.2011	NET BLOCK	
	AS AT 01.04.2010					UPTO 31.03.2010	FOR THE YEAR			AS AT 31.03.2011	AS AT 31.03.2010
<b>TRD ASSETS</b>											
Jewellery	103907		0	103907	0	0	0	0	0	103907	103907
Office Premises	4428070	87023859	87023859	90367300	5	1427411	661305	0	2034485	88332815	3000659
Office Equipment	1445732	4069500	4069500	5515232	14	625601	341100	0	966701	4548531	820131
Furniture & Fixture	2535845	86957	86957	2622802	18	1710047	157307	0	1867355	755447	825798
Electronic Equipments	3334546	21811732	21811732	25146278	40	2869015	884271	0	3753286	21392992	465531
Immovable Property	14415230	0	0	14415230	0	0	0	0	0	14415230	14415230
Vehicle	195306	3257649	3257649	3452955	26	49595	141706	0	191301	3261654	145711
<b>TOTAL A</b>	<b>26458636</b>	<b>116249697</b>	<b>116249697</b>	<b>141623704</b>	<b>103</b>	<b>6681670</b>	<b>2185689</b>	<b>0</b>	<b>8813128</b>	<b>132810576</b>	<b>19776966</b>
<b>SSI ASSETS</b>											
Office Equipment	2280779	399487	399487	23207266	14	4192567	2620932	0	6813499	16393767	18615212
Electronic Components	6326109	0	0	6326109	16	3007631	518346	0	3525978	2800131	3318478
Factory Premises	32333743	44170	44170	32377913	10	4616043	2774408	0	7390451	24987462	27717700
Furniture & Fixture	619511	192715	192715	812226	18	141464	99428	0	240892	571334	478047
Electronic Equipments	1172684	106000	106000	1278684	40	603827	269943	0	873770	404914	568857
Vehicle	43000	0	0	43000	26	14116	7478	0	21594	21406	28884
<b>TOTAL B</b>	<b>63302826</b>	<b>742372</b>	<b>742372</b>	<b>64045198</b>		<b>12575650</b>	<b>6290535</b>	<b>0</b>	<b>18866185</b>	<b>45179013</b>	<b>50727176</b>
<b>TOTAL A + B</b>	<b>89761462</b>	<b>116992069</b>	<b>116992069</b>	<b>205668902</b>	<b>103</b>	<b>19257320</b>	<b>8476224</b>	<b>0</b>	<b>27679312</b>	<b>177989590</b>	<b>70504142</b>
<b>Previous Year</b>	76196095	13565367	13565367	89761462		11936055	7321255		19257320	70504142	64260036

# AVON CORPORATION LIMITED

## ANNUAL REPORT 2010-11

### Schedules forming part of the consolidated accounts as at 31ST March 2011

	As At 31.03.2011	As At 31.03.2010
	₹	₹
<b>SCHEDULE 8:</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured considered good, unless as otherwise stated)		
A. Exceeding 6 months		
Considered Good	187,457,079	167,969,425
Considered Doubtful	-	7,001
	<b>187,457,079</b>	<b>167,976,426</b>
Less: Provision for doubtful debts	-	7,001
	<b>187,457,079</b>	<b>167,969,425</b>
 B. Other Debts Less than 6 Months	 <b>1,080,405,463</b>	 <b>384,685,054</b>
	<b>1,267,862,542</b>	<b>552,654,479</b>
<b>SCHEDULE 9:</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	2,987,541	2,160,024
Balances with Scheduled banks	-	-
In Current Account	8,091,652	343,780,910
In Deposit Account	7,307,370	7,736,245
	<b>18,386,563</b>	<b>353,677,179</b>
<b>SCHEDULE 10:</b>		
<b>LOANS &amp; ADVANCES</b>		
Advance to suppliers	310,676,007	149,685,134
Advance Income tax & TDS	12,199,459	10,309,244
Work Contract Tax Receivable	247,878	247,878
Sales Tax Paid	445,000	2,844,594
Commission Receivable (AND)	1,467,389	1,467,389
Service Tax -Set off	1,427,676	199,695
Prepaid Expenses	732,946	213,696
Interest Accrued On FDR/ SDR	207,824	207,824
Loans to Others	11,586,930	8,586,931
Loans to Staff & Imprest Money	2,267,317	2,595,450
Deposits	14,042,428	13,186,742
	<b>355,300,854</b>	<b>189,544,577</b>
<b>SCHEDULE 11:</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
<b>Sundry Creditors :</b>		
For Expenses	3,691,315	6,884,826
For Goods	383,450,825	387,142,140
Advance from customers:	270,914	135,063,134
Other Liabilities	14,231,366	213,736
	<b>401,644,419</b>	<b>6,092,099</b>
	<b>401,644,419</b>	<b>148,253,794</b>
<b>B. PROVISIONS</b>		
Provision for Taxation	25,982,120	24,240,128
Provision for Dividend	13,309,262	24,918,900
Provision for F.B.T	76,318	76,318
Provision for Maharashtra Labour Welfare Fund	2,640	2,640
Provision for Gratuity	524,825	197,856
Provision for Interest on Fixed Deposits	5,187,404	440,428
	<b>45,082,570</b>	<b>49,876,270</b>
	<b>446,726,989</b>	<b>198,130,065</b>



**AVON CORPORATION LIMITED**  
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**Schedules forming part of the consolidated accounts as at 31ST March 2011**

	As At 31.03.2011 ₹	As At 31.03.2010 ₹
<b>SCHEDULE 12:</b>		
<b>SALES</b>		
Manufacturing Sales	810,587,729	792,824,092
Trading Sales	1,068,748,893	373,531,375
	<u>1,879,336,622</u>	<u>1,166,355,467</u>
<b>SCHEDULE 13:</b>		
<b>OTHER INCOME</b>		
Maintenance & Service charges	1,890,058	1,961,311
Disc & Sundry Balance W/off	205,256	362,263
Other misc income	53,470	22,556
Branding Income	-	20,522
Commission income	-	667,685
Forex Fluctuation	1,908,555	-
Interest Income	14,901,173	11,836,019
	<u>18,958,512</u>	<u>14,870,356</u>
<b>SCHEDULE 14:</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock:		
Manufactured Finished Goods	14,311,580	9,221,402
Trading Finished Goods	48,848,046	27,958,424
	63,159,626	37,179,826
Less: Opening Stock		
Manufactured Finished Goods	9,221,402	3,867,603
Trading Finished Goods	27,958,424	25,023,880
	<u>37,179,826</u>	28,891,483
	<u>25,979,800</u>	<u>8,288,343</u>
<b>SCHEDULE 15:</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	26,455,448	3,461,550
Add: Purchases	567,879,321	576,492,805
	594,334,769	579,954,355
Less: Closing Stock	26,616,448	26,455,448
	<u>567,718,321</u>	<u>553,498,906</u>
<b>SCHEDULE 16:</b>		
<b>Direct Expenses</b>		
Direct Expenses for clearing	7,993,702	5,190,597
	<u>7,993,702</u>	<u>5,190,597</u>
<b>SCHEDULE 17:</b>		
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salary, Wages & Bonus, Leave	21,647,266	13,642,002
Director's Remuneration	7,320,000	4,000,000
Employer's P.F. Contribution	412,458	475,135
Leave Salary	139,823	157,029
Employer's ESIC Contribution	108,271	36,515
Reduction in Gratuity provision	377,019	-314,410
Mediclaime	8,187	8,411
Staff welfare expenses	266,700	219,604
Interest on salary payable	52,046	103,083
Maharashtra Labour welfare fund	4,896	4,176
Foods & Beverages	278,183	222,561
Recruitment Charges	144,496	79,323
PF Admin Charges	42,958	58,331
Professional Tax	2,500	2,500
	<u>30,804,803</u>	<u>18,691,760</u>

**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**Schedules forming part of the consolidated accounts as at 31ST March 2011**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>SCHEDULE 18:</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
AMC Charges	675,285	103,810
Auditors Remuneration	200,000	404,500
Certification & Inspection Charges	27,328	61,600
Credit card Expenses	164,882	441,059
Computer expenses	583,152	426,949
Conveyance Expenses	449,462	423,990
Consultancy charges	1,475,617	628,117
Custodial fees - GDR	100,000	-
Documentation Charges & Entrance fees	766,372	-
Electricity Charges	800,196	672,672
Export Insurance Premium	-49	323,328
Foreign Travelling Expenses	89,890	129,531
Forex Loss	-	58,068,741
Insurance premium	64,595	33,526
Installation Charges	813,460	1,110
Legal Expenses	1,335,601	42,172
Listing Fees	63,750	526,464
Loading Charges	14,402	172,612
Lodging Charges	226,411	38,394
Internship expenses	163,156	-
Membership & Subscription	2,564	3,618
Motor Car Expenses	61,634	63,812
contract charges	1,282,379	-
Miscellaneous Expenses	45,575	38,905
Office Expenses	2,887,238	295,900
Petrol Expenses	4,300	6,500
Postage & Courier Charges	1,456,144	1,355,454
Printing & Stationery	1,296,101	1,575,046
Loan processing fees	2,101,676	-
Professional Fees	1,307,721	714,000
Registration charges	1,500	-
Rent, Rates & Taxes	1,810,087	4,007,735
Renewal Fees	-	10,774
Research & Development	426,782	378,128
R & T Service Charges	427,423	54,298
Repair & Maintenance	395,135	135,323
Service Charges	3,300	4,591
Stamping charges	-	165,175
security charges	519,094	-
Telephone & Fax Charges	870,290	558,668
Prior period Expenses	677,522	3,253,123
	<u>23,589,975</u>	<u>75,119,624</u>
<b>SCHEDULE 19:</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Commission expenses	516,946	2,000,387
Advertising Expenses	4,111,728	829,691
Bad debts	308,250	368,454
Delivery Charges	14,882	1,201,258
Transport Charges	416,251	119,231
Travelling Expenses	582,880	230,878
Exhibition Expenses	2,929,411	868,030
Sales promotion expenses	67,400	14,300
Tender Fees	50,551	81,206
Discount Paid	6,026	884,142
Sales Tax	-	67,290
	<u>9,004,325</u>	<u>6,664,867</u>



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**Schedules forming part of the consolidated accounts as at 31ST March 2011**

	As At 31.03.2011 ₹	As At 31.03.2010 ₹
<b>SCHEDULE 20:</b>		
<b><u>INTEREST &amp; FINANCIAL CHARGES</u></b>		
Bank Interest	29,905,575	23,416,805
Bank Charges & Commission	2,496,074	1,654,224
Bank charges (GDR)	-	10,478,166
Interest on Loans	680,774	1,745,192
Interest on Fixed Deposits	8,932,315	458,646
Other financial expenses	176,315	-
	<u>42,191,053</u>	<u>37,753,033</u>

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-

**Atul Shah**  
(Proprietor)

**Membership No. 033137**

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/-

**Pankaj P Saraiya**  
Managing Director

Sd/-

**Rupal P Saraiya**  
Whole Time Director

Sd/-

**Bhupendra L. Doshi**  
Chief Financial Officer

Sd/-

**Kamlesh Vyas**  
Company Secretary



**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	223,168,567	121,212,168
Adjustment for :		-
Depreciation	8,476,223	7,321,265
Interest & Financial Charges	42,191,053	37,753,033
Interest & Discount Received	(205,256)	(362,263)
Loss/(Profit) on sale of Fixed Assets	-	-
Preliminary Exp of IPO	-	4,567,613
<b>Operating profit before working capital changes</b>	<b>273,630,587</b>	<b>170,491,816</b>
Adjustment for :		
Increase / Decrease in Inventories	(26,140,800)	(31,282,241)
Increase in Sundry debtors	(715,208,063)	(31,068,519)
Increase in Loan & Advances	(165,756,277)	(18,809,724)
Decrease in Current Liabilities	253,390,625	(180,639,179)
Cash Generated from operation	(380,083,927)	(91,307,847)
Less : Direct taxes refund / (paid)-net	(15,321,554)	10,309,244
Net cash generated from operating activities	<b>(364,762,373)</b>	<b>(101,617,091)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets & Intangible Assets	(115,907,440)	(18,232,247)
Sales/Adjustments of Fixed Assets	-	-
Capital Work In Progress	-	-
Interest & Discount received	(205,256)	(362,263)
Net cash used in investing activities	<b>(116,112,696)</b>	<b>(18,594,510)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest & Financial Charges paid	(42,191,053)	(37,753,033)
Dividend & Dividend Tax Paid	(7,555,574)	(22,666,723)
IPO Expenses	(15,728,626)	(20,224,239)
Proceeds from issue of equity shares	-	480,000,000
Application money Received	-	-
Proceeds from Borrowings	211,059,706	68,666,892
Increase/(Decrease) in Investment	-	-
Net cash used in Financing activities	<b>145,584,454</b>	<b>468,022,898</b>
Net Increase in Cash and cash equivalents (A + B + C)	(335,290,616)	347,811,297
Cash and Cash equivalents at the beginning of the year	353,677,179	5,865,882
Cash and Cash equivalents at the end of the year	<b>18,386,563</b>	<b>353,677,179</b>
Components of cash and cash equivalents as at 31st March	<b>2,011</b>	<b>2,010</b>
Cash On Hand	2,987,541	2,160,024
With Banks - On Current account	8,091,652	343,780,910
- On Deposit account	7,307,370	7,736,245
	<b>18,386,563</b>	<b>353,677,179</b>
Notes: 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement" issued by The ICA of India.		
2) Figures in the brackets indicate outflow		

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/-  
**Pankaj P Saraiya** Managing Director  
Sd/-  
**Rupal P Saraiya** Whole Time Director

Sd/-  
**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-  
**Kamlesh Vyas**  
Company Secretary

# AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS

### I. SIGNIFICANT ACCOUNTING POLICIES

#### 1. NATURE OF OPERATIONS:

AVON CORPORATION LIMITED ("Parent Company" or "the Company") is primarily engaged in the business of Manufacture, supply, installation, commissioning and servicing of all types of weighing systems. The subsidiary of the company are engaged in supply, installation, commissioning and servicing of all types of weighing systems and trading activities.

#### 2. BASIS OF PREPARATION:

The financial statements have been prepared to comply in all respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provision of the Companies Act, 1956 ("the Act"). The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

#### 3. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingents liabilities at the date of the financial statements and the results of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

#### 4. PRINCIPLE OF CONSOLIDATION:

The consolidated Financial Statements include the Financial Statements of the Parent Company and its subsidiary. The Consolidated financial statements have been combined on a line – by – line basis by adding the book value of like items of assets, liabilities, income and expenses after eliminating intra – group balances / transactions and unrealized profit in full. The amounts shown in respect of reserves comprise amounts of relevant reserves as per the balance sheet of the Parent Company. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

#### 5. FIXED ASSETS AND DEPRECIATION :

##### 5.1 FIXED ASSETS:

Fixed Assets are stated at Cost of Acquisition inclusive of all incidental expenses incurred towards acquisition and installation thereof.

##### 5.2 DEPRECIATION:

Depreciation on fixed assets is provided on Written down value method at the rates and in the manner prescribed under schedule – XIV of the Companies Act, 1956. Depreciation on fixed assets acquired during the year is provided from date the said Assets have been put to use as certified by the management.

#### 6. IMPAIRMENT OF ASSETS :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and Loss Account in the current accounting year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS-28) on "Impairment of Assets".

#### 7. INVESTMENTS:

- a) Long-term investments including investment in the shares of foreign subsidiary (100%) are stated at cost. Provision for diminution in value of long-term investments if any is made, if such diminution is other than of temporary nature.
- b) Current Investment are carried at lower of cost or market value.





## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 8. **INVENTORIES :**

Inventories are valued as follows:

- (i) Inventories of raw materials, work-in-process, finished goods, and stores & spares are valued at lower of cost and net realizable value.
- (ii) Cost of Imported raw material and stock in bond include custom duty thereon. Cost of Stock in transit include cost incurred up to the date of Balance Sheet.
- (iii) Cost of WIP & finished goods includes materials, labour and manufacturing overheads and other costs incurred in bringing the inventories to their present location.

### 9. **BORROWING COSTS:**

Borrowing cost relating to acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessary takes substantial period of time to get ready for its intended use/sale. All other borrowing costs not eligible for inventorisation / capitalizations are charged to revenue.

### 10. **RECOGNITION OF INCOME:**

The Company generally follows the mercantile system of accounting

- a. Sales are accounted for exclusive of sales tax.
- b. Revenue is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer or no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.
- c. Purchases are accounted net of vat/cenvat availed thereon.
- d. Maintenance & Services are accounted inclusive of service tax.
- e. Interest income is recognized on time proportion basis.

### 11. **EMPLOYEE BENEFITS:-**

(i) Short Term Employee Benefits:

The employees of the company are entitled to leave encashment as per the leave policy of the company. The liability in respect of leave encashment which is expected to be encashed / utilised within twelve months after balance sheet date is considered to be of short term nature. The same is provided, based on an actuarial valuation carried out by an independent actuary as at the year end.

(ii) Long Term Employee Benefits :

#### **Defined Contribution Plans**

The Company has defined contribution plans for post employment benefits namely provident fund. Under the provident fund plan, the company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution. The company contributes to state plans namely employee's pension scheme, 1995 and has no further obligation beyond making its contribution. The Company contribution to the above funds are charged to revenue every year.

#### **Defined Benefits Plans**

The Company has a defined benefits plan namely Gratuity and leave encashment for all its employees. Long Term leave encashment includes provision for leave which is expected to be encashed / utilised after twelve months from balance sheet date. Liability for defined benefit plan is provided on the basis of valuations, as at balance sheet date, carried out by an independent actuary. The actuarial valuation used by independent actuary for measuring the liability is the projected unit credit method.

(iii) Termination benefits are recognised as an expenses as and when incurred.

iv) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the profit and loss account as income or expenses.

## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 12. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are accounted at the rates prevailing on the date of the transaction. Transactions are not covered by forward exchange contract. Current assets and liabilities are translated at the exchange rate ruling on the date of balance sheet. Any income or expenses on account of exchange difference either on payment or on translation are recognized in the profit and loss account except in cases where these relate to acquisition of fixed assets, the same are adjusted in the cost of the fixed assets.

### 13. TAXES ON INCOME:

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income." The deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the profit and loss account. The cumulative effect thereof is shown in the Balance sheet. The deferred tax assets are recognized only if there is a reasonable certainty that the assets will be realized in future. Deferred Tax is recognized, subject to the consideration of prudence of, on timing differences, being the difference between taxable incomes and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

### 14. PROVISIONS, CONTINGENTS LIABILITIES & CONTINGENT ASSETS:

A provision is recognized when an enterprise has a present obligation as a result of past even; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not provided for in this account, and if any, the same is reflected in notes on account. Contingent Assets are neither recognized nor disclosed in the financial statements.

### 15. SEGMENT REPORTING:

The main business of the Company is Manufacture, supply, installation, commissioning and servicing of all types of weighing systems, and all other related activities which the Company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) pm "Segment Reporting."

### 16. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting attributable taxes) by average number of equity shares outstanding during the period. The average number of equity shares outstanding during the period is adjusted for the event of fresh issue of shares to the public. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## II. NOTES FORMING PART OF ACCOUNTS

- The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21,'Consolidated Financial Statements and Accounting for Investment in Subsidiary in Separate Financial Statements' comprise the financial statements of the Parent Company and its subsidiary listed below:

Subsidiary	Country of Incorporation	Effective shareholding as on 31.03.2011 (%)	Effective Shareholding as on 31.03.2010 (%)
AVON CORPORATION FZE	Sharjah, Dubai	100%	100%



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 2. **LIABILITY AND ASSETS**

Balances grouped under Sundry Debtors, Sundry Creditor, and Advances from Customers and Advances Recoverable in cash or in kind are subject to confirmation from respective parties.

### 3. **SECURED LOAN**

Secured loans - security and other particulars :

- (i) Term Loans & working capital loans from Banks/NBFC are secured by way of Mortgage/ Hypothecation of Moveable/Immovable assets.
- (ii) Term Loans & working capital loans are further secured by personal guarantees of Executive Chairman and/or the Managing Directors.

### 4. **PREPAID EXPENSES:**

Financial expense incurred during the current accounting period which provides benefit in several accounting period has been treated as revenue expense only for the period relating to the current accounting period and balance is treated as prepaid expenses to be adjusted on pro rata basis in the future accounting period.

### 5. **FOREIGN CURRENCY TRANSACTIONS:**

The company has carried out intermediary trade transactions in course of Export & Import of goods & Foreign Exchange Fluctuation Loss of Rupees Nineteen Lacs Eight Thousand Five Hundred Fifty Five Only during the year.

### 6. **INVENTORY**

Stock at the end of the year is taken based on the physical verification conducted by the management.

### 7. **BENEFITS TO EMPLOYEES:**

The Company follows Accounting Standard 15 (Revised 2005) 'Employee Benefits'. It has classified the various employee benefits provided to employees as under :-

#### I. Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Profit and Loss Account –

Particulars	Year ended March 31, 2011 (in ₹)
Employers' Contribution to Provident Fund, ESIC	102871
Employers' Contribution to Superannuation Fund	Nil

\* Included in Contribution to provident and other funds (Refer Schedule 17)

#### II. Defined Benefit Plans

Contribution to Gratuity Fund In accordance with Accounting Standard 15 (Revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the the following assumptions:-

Assumptions	As at March 31, 2011
Discount Rate (per annum) Previous	8.00%
Rate of increase in Compensation levels - Previous	6.00%
Discount Rate (per annum) Current	8.25%
Rate of increase in Compensation levels - Current	6.00%

**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**a) Changes in the Present Value of Obligation**

	As at March 31, 2011 (in ₹)
Present Value of Obligation at the beginning of the year	1,97,856
Interest Cost	0
Current Service Cost	0
Current Service Cost	0
Curtailment Cost / (Credit)	0
Settlement Cost / (Credit)	0
Benefits Paid	0
Actuarial (gain) / loss on obligations	1,29,113
Present Value of Obligation as at Year end.	3,26,969

**b) Recognition of Transitional Liability**

	As at March 31, 2011 (in ₹)
Transition Liability at start	0
Transition Liability Recognised during the Year	0
Transition Liability at end	0

**c) Amount Recognised in the Balance Sheet**

	As at March 31, 2011 (in ₹)
Present Value of funded obligation as at the year end	(326969)
Fair Value of Plan Assets as at the end of the year	0
Difference	(326969)
Unrecognised Past Service Cost	0
Unrecognised Transition Liability	0
Amount Recognised in the Balance Sheet	(326969)



**AVON CORPORATION LIMITED**  
**ANNUAL REPORT 2010-11**

**d) Expenses Recognises in the Income Statement**

	As at March 31, 2011 (in ₹)
Current Service Cost	0
Interest Cost	0
Expected Return in Plan Assets	0
Past Service Cost ( Non Vested Benefit ) Recognised	0
Past Service Cost ( Vested Benefit ) Recognised	0
Recognition of Transition Liability	0
Acturial Gain or Loss	(1,29,113)
Expense Recognises in P & L	0
<b>Liability recognised in the Balance Sheet</b>	<b>(326969)</b>

\*\*\* Included in Provisions (Refer Schedule 17)

**e) Balance Sheet Reconciliation**

	March 31, 2011 (in ₹)
Opening Net Liability	197856
Expenses as above	0
Employers Contribution	1,29,113
Amount Recognised in Balance Sheet	326969

**8. COMMITMENTS AND CONTINGENT LIABILITIES**

Note- Contingent Liabilities for Current period is NIL and for previous year was also NIL.

**9. EARNING PER SHARE**

Basic Earnings per share	2010 - 11	2009 - 10
Profit after tax as per profit & loss Account	₹ 217,660,013	₹ 11,38,900,687
Weighted average no. of equity shares of basic	6,45,80,318	5,35,33,742
Basic Earnings per share ( In Rs.)	₹ 3.37	₹ 2.13



## AVON CORPORATION LIMITED ANNUAL REPORT 2010-11

### 10. RELATED PARTY TRANSACTION

Information on Related party transaction as required by Accounting Standard (AS 18) for the year ended 31st March, 2011.

(a) Related parties where control exists

Subsidiaries Avon Corporation FZE

#### (b) Key management personnel

Mr. Pankaj saraiya	Managing Director
Mrs. Rupal saraiya	Whole Time Director
Mrs. Shantaben P. Saraiya	Director
Mr. R. M. Joshi	Director
Mr. Anmol Sekhri	Director
Mr. Gopal Krishan Sharma	Director

#### (c) Relative of Key management personnel

Mr. Pratapsinh saraiya  
Mr. Bhupendra Doshi

#### (d) Details of related party transactions

Particulars of Transactions	Key management personnel		Relatives of Key management personnel	
	2010-11 ₹	2009-10 ₹	2010-11 ₹	2009-10 ₹
Investments	-	-	-	-
Remuneration	66,00,000	40,00,000	10,15,680	8,40,000
Repayment of Loan	1,57,21,662	7,88,500	-	-
Loan Received during the year	2,09,20,577	1,15,70,000	-	-

### 11. PREVIOUS YEAR COMPARATIVES FIGURE

Previous period's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification.

### 12. SCHEDULES TO ACCOUNTS

Schedules 1 to 12 form an integral part of the Balance Sheet and Profit and Loss Account and are duly authenticated.

**For ATUL. B. SHAH & CO.**  
(Chartered Accountants)  
(Reg. No. 130818W)

Sd/-  
**Atul Shah**  
(Proprietor)  
Membership No. 033137

Place: Mumbai.  
Date: 12th August, 2011

For and on behalf of the Board of Directors  
**Avon Corporation Limited**

Sd/-  
**Pankaj P Saraiya**      Sd/-  
Managing Director      **Rupal P Saraiya**  
Whole Time Director

Sd/-  
**Bhupendra L Doshi**  
Chief Financial Officer

Sd/-  
**Kamlesh Vyas**  
Company Secretary



AVON CORPORATION LTD.

# Core Values

The core values of our organization are principles we follow which form the foundation on which we perform work and conduct ourselves.

- Leadership:** Visionary planning and dynamic management skills to shape a better future
- Collaboration:** Powerful collective genius
- Integrity:** Be authentic
- Accountability:** We take ownership
- Passion:** Committed in heart and mind
- Diversity:** As inclusive as our brands
- Quality:** What we do, we excel



**AVON CORPORATION LIMITED  
ANNUAL REPORT 2010-11**



AVON CORPORATION LTD.

Regd. Office : DLH PARK (Commercial Premises), Office No. 1106, 11th Floor, S. V. Road, Near MTNL, Goregaon West, Mumbai, Maharashtra – 400 067

**ANNUAL GENERAL MEETING  
PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a member(s) of Avon Corporation Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_

as my/our proxy and to vote for me/us on my/our behalf at the **12th ANNUAL GENERAL MEETING** of the Company at Hotel Park View, 38 Lullubhai Park Road , Andheri (W) – 400 058 to be held on 22nd September, 2011 at 11.00 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_, 2011

Ledger Folio No. \_\_\_\_\_

DP ID \* \_\_\_\_\_

CLIENT IN \* \_\_\_\_\_



No. of Shares held \_\_\_\_\_

(Signature across the stamp)

\*Applicable for the members holding shares in electronic form

Note : This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

----- TEAR HERE -----

**AVON CORPORATION LIMITED**

Regd. Office : DLH PARK (Commercial Premises), Office No. 1106, 11th Floor, S. V. Road, Near MTNL, Goregaon West, Mumbai, Maharashtra – 400 067

**ATTENDANCE SLIP  
TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

Full Name of the Member attending  
(IN BLOCK LETTERS): \_\_\_\_\_

Full Name of Proxy  
(IN BLOCK LETTERS): \_\_\_\_\_  
(To be filled in if Proxy attends instead of the Member)

I have record my presence at the **12th ANNUAL GENERAL MEETING** of the Company at Hotel Park View , 38 Lullubhai Park Road , Andheri (W) – 400 058 to be held on 22<sup>nd</sup> September, 2011 at 11.00 a.m. or at any adjournment thereof.

Ledger Folio No. \_\_\_\_\_

DP ID \* \_\_\_\_\_

CLIENT IN \* \_\_\_\_\_

No of Shares held \_\_\_\_\_

\_\_\_\_\_  
Member's /Proxy's Signature

(To be signed at the time of handing over this slip)

\* Applicable for the members holding shares in electronic form.

Note : Members are requested to bring their copies of the Annual Report to the meeting.







AVON CORPORATION LTD.





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# 25% DISCOUNT ONLY FOR AVON SHAREHOLDERS

## Mechanical Scale



- Capacity 125 kg.
- Graduation 500 gm.

**APM 802** Discount Price  
MRP ₹ 699/- ₹ 525/-

## Mechanical Scale



- Capacity 125 kg.
- Graduation 1 gm.

**APM 803** Discount Price  
MRP ₹ 899/- ₹ 675/-

## Digital Glass Scale



- Capacity 150 kg.
- Graduation 100 gm.

**APD 802** Discount Price  
MRP ₹ 1699/- ₹ 1275/-

## Digital Glass Scale



- Capacity 150 kg.
- Graduation 100 gm.

**APD 807** Discount Price  
MRP ₹ 1799/- ₹ 1350/-

## Digital Glass Scale

Colors

- White
- Silver
- Black



- Capacity 150 kg.
- Graduation 500 gm.

**APD 811** Discount Price  
MRP ₹ 2199/- ₹ 1650/-

## Digital Glass Scale

Colors

- Pink
- blue
- Silver



- Capacity 150 kg.
- Graduation 100 gm.

**APD 812** Discount Price  
MRP ₹ 1399/- ₹ 1050/-

## Body Fat Scale

- Capacity 150 kg.
- Graduation 100 gm.
- Body fat percentage
- Body fat % recall
- Body water%
- Muscle mass%
- Bone mass
- Visceral fat
- BMI & BMI recall
- BMR



**ABD 805** Discount Price  
MRP ₹ 4999/- ₹ 3750/-

## Digital BMI Scale



- Capacity 150 kg.
- Graduation 100 gm.

**ABD 811** Discount Price  
MRP ₹ 2599/- ₹ 1950/-

[www.avon.co.in](http://www.avon.co.in)

Send this perforation by email or courier to us at :

### Regd Off:

DLH PARK, Office No.1106,  
11th Floor, Near Goregaon  
Telephone Exchange, S.V. Road,  
Goregaon (West),  
Mumbai-400067. India.  
Board line: +91 22 6680 4040

✉: [marketing@avon.co.in](mailto:marketing@avon.co.in)

### Branch Off (Service Station) :

15/B, 2nd Floor, Kamal Kunj,  
S.V. Road, Irla Bridge,  
Andheri (West),  
Mumbai - 400 058. India.  
Board line: +91 22 6680 4066 / 67  
Fax: +91 22 2671 7475.

✉: [services@avon.co.in](mailto:services@avon.co.in)

Customer Care : +91 22 6680 4066 / 67



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## discount coupon

Name & Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Pin Code: \_\_\_\_\_

Mobile: \_\_\_\_\_

Tel. No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

Model No.: 1) \_\_\_\_\_

Qty: \_\_\_\_\_

Amount: \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_



AVON CORPORATION LTD.

# 25% DISCOUNT ONLY FOR AVON SHAREHOLDERS

**Digital Baby Weighing Scale**

◆ Capacity 20 kg.  
◆ Graduation 10 gm.

**ABS 802** Discount Price  
MRP ₹ 4999/- ₹ **3750**

**Digital Baby Weighing Scale**

◆ Capacity 20 kg.  
◆ Graduation 5 gm.

**ABS 802** Discount Price  
MRP ₹ 6199/- ₹ **4650/-**

**Digital Kitchen Scale**

◆ Capacity 5 kg.  
◆ Graduation 1 gm.

**AKD 804** Discount Price  
MRP ₹ 2199/- ₹ **1650/-**

**Digital Kitchen Scale**

◆ Capacity 5 kg.  
◆ Graduation 1 gm.

**AKD 803** Discount Price  
MRP ₹ 1499/- ₹ **1124/-**

**Digital Wooden Scale**

◆ Capacity 150 kg.  
◆ Graduation 100 gm.

**APD 813** Discount Price  
MRP ₹ 2099/- ₹ **1575/-**

**Digital BMI Scale**

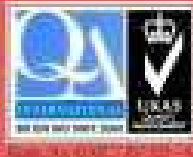
◆ Capacity 150 kg.  
◆ Graduation 100 gm.

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- Free Delivery anywhere in India
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**SPECIAL OFFER**  
FOR **SHARE HOLDERS**  
OF AVON CORPORATION LTD.  
GET 25% OFF ON M.R.P.



## AVON CORPORATION LTD.

### **Regd. Office:**

DLH PARK (Commercial Premises),  
Office No. 1106, 11th Floor, S. V. Road,  
Near MTNL, Goregaon West,  
Mumbai 400 067, India.  
Boardline No: +91 22 6680 4040  
E-mail: cs@avon.co.in

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15/B, 2nd Floor, Kamal Kunj,  
S.V. Road, Irla Bridge,  
Andheri (West), Mumbai -400 058,  
Boardline No: +91 22 6680 4066 / 67  
Fax: +91 22 2671 7475  
E-mail: services@avon.co.in

### **Showroom:**

Ground Floor, Opp. Hypercity,  
Inorbit Mall, Vashi,  
Mobile No.: 9004609838