



PARAMOUNT

Rising beyond imagination

PARAMOUNT COSMETICS (INDIA) LIMITED

THIRTY FIRST ANNUAL REPORT 2015-2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Hansraj Rathor

BANKERS

IDBI Bank Limited

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

902-904, 9th Floor,
Prestige Meridian-1,
29, M. G. Road,
Bangalore - 560 001
Ph: +91 80 25320870/71
Email: compliance.officer@parammount.com
REGISTRAR & SHARE TRANSFER AGENT
BgSE Financials Limited
Stock Exchange Towers, No. 51,
1st Cross, J.C Road,
Bangalore- 560 027
Ph: 080 4132 9661
Email: rta_admin@bfsi.co.in
manager_rta@bfsi.co.in

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

NOTICE

Notice is hereby given that the **Thirty First Annual General Meeting** of the Members of Paramount Cosmetics (India) Limited will be held on Friday, the 30th day of September, 2016 at 11: 00 a.m. at VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2016 and Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the Financial Year 2015-16.
3. To appoint a Director in place of Ms. AartiiTopiwaala (DIN - 03487105), who retires by rotation and being eligible offers herself for re-appointment.
4. To ratify the appointment of M/s. S.S. Jain & Associates, Chartered Accountants as Statutory Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS:

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

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

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

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

(D) OTHER BENEFITS

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

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

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

(F) TERMINATION

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

(G) MINIMUM REMUNERATION IN CASE OF INADEQUACY OF PROFITS

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

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

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

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

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

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

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

Hiitesh Topiiwaalla
Managing Director

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive), in terms of Section 91 of Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.
4. The Dividend on equity shares as recommended by the Directors, if declared at the meeting, will be paid within the statutory period of 30 days from the date of declaration of dividend to those members whose names shall appear on the Company's Register of Members on September 23rd, 2016. In respect of shares held in dematerialized form, the Dividend will be paid to members whose names shall be furnished by National Security Depository Ltd. (NSDL) and Central Depository Services Ltd (CDSL) as beneficial owners as on the aforementioned date.
5. In accordance with the Companies Act, 2013, one-third of the directors who are liable to retire by rotation (except Mr. Hiitesh Topiwaalla, who has been re-appointed as the Managing Director for a term of three years effective from 1st April, 2014) retire every year and, if eligible, offer themselves for re-appointment at the AGM. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of upto five consecutive years and are not liable to retire by rotation. The relevant detail of Directors seeking appointment / re-appointment under item no. 3 is elaborated in the Statement annexed to the notice.
6. Members are requested to notify immediately of any change in their address to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form are advised to notify any change in their address to the concerned depository participant.
7. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of Shares or any other Share related matters and/or change in address, furnishing of details of their bank accounts or updation thereof, to Company's Registrar - **BgSE Financials Limited**, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore – 560027. Ph. No. 080 41329661. E-mail: rta_admin@bfsi.co.in or manager_rta@bfsi.co.in
8. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 , the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
9. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 23rd September, 2016, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
10. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on Friday, 23rd September, 2016, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or compliance.officer@paramount.com.
11. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Saturday, 24th September, 2016 and will end at 5.00 p.m. on Tuesday, 27th September, 2016. The e-voting module shall be disabled by CDSL for voting thereafter.
12. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend

the AGM but shall not be entitled to cast their votes again.

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

PROCEDURE FOR E-VOTING:

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

(A) In case a member receiving e-mail

- (i) The voting period begins on 24th September, 2016 at 09.00 a.m. and ends on 27th September, 2016 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions

of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

III. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demataccounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

- IV.** Members are requested to contact M/s. BgSE Financials Limited / Corporate Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
- V.** The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
- VI.** For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
- VII.** Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

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

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

Hiitesh Topiwaala
Managing Director

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

Particulars	Details
Name of the Director	Aartii Topiwaala
Date of Birth	18.07.1972
Date of Appointment	31.03.2011
Brief Profile & Experience in specific functional areas	Rich experience of more than 21 years in the fashion industry
Qualification	Bachelor of Commerce
Shareholding in the Company	2600 Equity shares of Rs.10/- each
Relationship with Other Directors	Wife of Shri Hiitesh Topiwaalla
List of other public Companies in which Directorships held as on March 31, 2016	NIL
List of Chairmanship/ Membership of the Committees of Board of Public Companies as on March 31, 2016	Paramount Cosmetics (India) Limited: <ul style="list-style-type: none"> • Audit Committee - Member • Nomination & Remuneration Committee - Member • Shareholder's Relationship Committee- Member • Share Transfer Committee - Member

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

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

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

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

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

INFORMATION IN PURSUANCE OF SECTION II OF PART II OF SCHEDULE V OF COMPANIES ACT, 2013 ARE AS BELOW:

1. General Information

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

2. Information about the appointee:

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