

Annual Accounts
2016 – 2017

of

Avalon Cosmetics Private Limited

Independent Auditors' Report

To,
The Members
Avalon Cosmetics Private Limited

I. Report on the Financial Statements

We have audited the attached financial statements of Avalon Cosmetics Private Limited (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

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



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

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

IV. Basis of Qualified Opinion

- (i) Refer Note No. 29(a) of the financial statements regarding non-provision for Gratuity and Leave Encashment on basis of Actuarial Valuation, which is in non-compliance of recommendations of AS-15, Employee Benefits. Consequent monetary impact on the Provisions and Profit for the year is presently unascertainable; and
- (ii) Refer Note No. 30 of the financial statements regarding non-provision in the accounts towards doubtful recovery of an Insurance claim receivable amounting to Rs. 100.00 Lacs, since the Company is hopeful of its recovery, thus having consequential monetary impact the respective assets, Provisions and Profit for the year.

V. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter stated in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, its Profit and its Cash Flows for the year ended on that date.

VI. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure-1, a statement on the matters specified in paragraphs 3 of the said Order, to the extent applicable to the Company during the year under review.
2. Further to our comments in the Annexure referred to in 1. above, as per the requirements of Section 143(3) of the Act, we report as follows :-
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the effects of the matter stated in Basis of Qualified Opinion paragraph above;
- (e) On the basis of written representations received from the respective directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-2;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- (i) the Company does not have any pending litigations which would impact its financial position;
- (ii) the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) the Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer note no.36)



For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

S. Parekh

Sonal B. Parekh
Partner

Membership No 139852

Place : Mumbai

Date : 02nd September, 2017

Annexure-1 to the Independent Auditors' Report
(Referred to in paragraph VI(1) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further report as under during the year under review -

(i) **Fixed Assets**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets during the year under review.
- (b) During the year under review, the Management has conducted physical verification of fixed assets in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The Company does not own / hold any immovable property during the year under review.

(ii) **Inventories**

During the year under review, the Management has conducted physical verification of inventories at regular intervals. In our opinion, the frequency of such verification is reasonable. No material discrepancies between the books records and the physical stocks have been noticed.

(iii) **Loans to Directors & Related Parties**

The Company has not granted any loans, secured or unsecured to the parties listed in the register maintained under Section 189 of the Act during the year under review.

(iv) **Loans/Investments/Guarantees/Security to Certain Parties**

During the year under review, the Company has not given loans which fall within the purview of Section 185 of the Act as well as not made investments or issued guarantees / security which fall within the purview of Section 186 of the Act.

(v) **Public Deposits**

During the year under review, the Company has not accepted any deposits from the public, so the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



(vi) Cost Records

The Company has maintained Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues

(a) During the year under review, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Excise Duty, Customs Duty, Service Tax and Value Added Tax with the appropriate authorities. Based upon the audit procedures performed, we report that no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2017 for a period of more than six months from the date on when they become payable. Keeping in view the present operations of the Company, statutes relating to Cess are not applicable to the Company.

(b) As informed to us, there are no statutory dues outstanding on account of any dispute during the year under review.

(viii) Dues to Financial Institutions / Banks / Debenture Holders

The Company has not defaulted in repayment of dues to from Banks and Financial Institutions. The Company has not issued any debentures during the year under review.

(ix) Proceeds of Public Offer (including debt instruments) / Term Loans

The Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans during the year under review.

(x) Frauds

Based upon the audit procedures performed, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under review.

(xi) Managerial Remuneration

The Company has paid managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act during the year under review.

(xii) Nidhi Companies

As informed to us, the Company is not a Nidhi Company during the year under review. Thus, the provisions as stipulated under Nidhi Rules, 2014 are not applicable to the Company.



(xiii) Related Party Transactions

Based upon the audit procedures performed, we report that all transactions with the related parties during the year under review are in compliance with Section 177 and Section 188 of the Act to the extent applicable to the Company. The details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) Preferential Issue

As informed to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) Non-cash Transactions with Directors, etc.

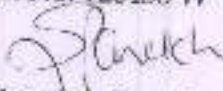
Based upon the audit procedures performed, we report that the Company has not entered into any non-cash transactions with directors or persons connected thereto during the year under review.

(xvi) Provisions of 45-IA of the Reserve Bank of India Act, 1934

As informed to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 during the year under review.



For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W


Sonal B. Parekh
Partner

Membership No. 139852

Place : Mumbai

Date : 02nd September, 2017

Annexure-2 to the Independent Auditors' Report
(Referred to in paragraph V1(2)(g) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013
("the Act")

We have audited the internal financial controls over financial reporting of Avalon Cosmetics Private Limited (hereinafter referred to as the Company) as on 31st March 2017 in conjunction with audit of the financial statements of the Company comprising of the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

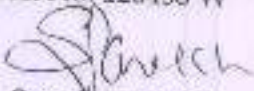
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W


Sonal B. Parekh
Partner

Membership No. 139852

Place : Mumbai

Date : 02nd September, 2017

AVALON COSMETICS PRIVATE LIMITED
Balance Sheet as at 31st March 2017

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	1,187,890	1,187,890
Reserves and Surplus	3	411,336,414	365,669,378
Non-current Liabilities			
Deferred Tax Liabilities (net)	4	24,770,951	19,133,180
Long-term Borrowings	5	625,983,635	494,075,371
Long-term Provisions	6	191,158	191,158
Current Liabilities			
Short-term Borrowings	7	128,403,576	92,655,405
Trade Payables	8	580,005,600	265,408,683
Other Current Liabilities	9	168,230,527	127,731,190
TOTAL		1,940,108,951	1,366,051,546
ASSETS			
Non-current Assets			
Fixed Assets	10		
Tangible Assets			
Capital work-in-progress		1,151,028,059	780,496,527
Non-current Investments	11	35,181,062	84,911,181
Long-term Loans and Advances	12	136,973,478	119,728,746
Deferred Tax Assets (net)	13	16,250,056	21,600,873
Other Non-current Assets		4,096,332	-
Current Assets			
Inventories	14	222,246,960	143,125,939
Trade Receivables	15	309,198,436	155,137,145
Cash and Bank Balances	16	8,875,487	8,891,720
Short-term Loans and Advances	17	21,806,991	30,616,532
Other Current Assets	18	34,452,069	21,542,862
TOTAL		1,940,108,951	1,366,051,546

Notes form an integral part of the Financial Statements

As per our report of even date attached

For S M M P & Associates

Chartered Accountants

S. Parekh
Sonal B. Parekh

Partner



For Avalon Cosmetics Private Limited

S. Kothari
Sameer R. Kothari
Director

A.R. Kothari
Asha R. Kothari
Director

Place : Mumbai

Date : 02nd September, 2017

AVALON COSMETICS PRIVATE LIMITED
Statement of Profit and Loss for the Year Ended 31st March 2017

(Amount in Rs.)

Particulars	Note No.	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Revenue from Operations	19		
Other Income	20	2,329,264,437	1,796,867,292
Total Income		22,089,247	10,567,993
Expenses		2,351,353,684	1,807,433,284
Purchase of Stock-in-Trade	21	2,198,956	3,749,030
Cost of Material Consumed	22	1,776,484,342	1,281,844,414
Changes in Inventories	23	(31,407,249)	(9,168,670)
Employee Benefit Expenses	24	171,271,752	151,923,496
Finance Cost	25	79,370,653	71,116,263
Depreciation / Amortization	10	124,385,462	106,461,445
Other Expenses	26	171,090,104	146,980,808
Total Expenses		2,293,334,021	1,752,906,786
Profit / (Loss) before exceptional / extraordinary items and tax		58,019,663	54,528,498
Exceptional Items and Extraordinary Items		-	-
Profit / (Loss) before Tax		58,019,663	54,528,498
Tax Expense		11,500,000	(10,200,000)
Current Tax		1,541,439	1,699,957
Deferred Tax		688,809	-
Excess & Short Provision of earlier Years		-	-
Profit / (Loss) after Tax		45,667,033	46,028,455
Earning / (Loss) per equity Share			
Basic & Diluted	27	384.70	387.74

Notes form an integral part of the Financial Statements

As per our report of even date attached

For S M M P & Associates
Chartered Accountants
S. M. M. P.
Sonal B. Parekh
Partner



For Avalon Cosmetics Private Limited

S. M. M. P.
Santosh R. Kothari
Director

A. R. Kothari
Asha R. Kothari
Director

Place : Mumbai

Date : 02nd September, 2017

AVALON COSMETICS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs.)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation		
Adjustments for :-	58,019,663	54,528,498
Interest Expense		
Interest Income	78,473,702	69,674,184
Dividend Income	(691,258)	(743,176)
Profit on Sale of Investment	(396,628)	(424,371)
Profit from Partnership Firm	(1,220,913)	(374,250)
Depreciation / Amortization	(1,863,795)	(4,485,601)
Excess Provision Write back (gratuity)	124,385,462	106,461,445
	688,809	(1,648,981)
Adjustments for Working Capital Changes :-	199,375,479	168,459,250
(Increase) / Decrease in Inventories		
(Increase) / Decrease in Trade Receivables	(79,121,000)	(74,879,300)
(Increase) / Decrease in Other Current Assets	(154,061,311)	3,674,521
Increase / (Decrease) in Trade Payables	(12,908,207)	5,912,363
Increase / (Decrease) in Other Current Liabilities	314,596,917	34,275,031
Increase / (Decrease) in Short-term Loans & Advances	40,499,327	(9,805,632)
Increase / (Decrease) in Short-term Borrowings	8,809,561	(8,672,831)
	35,748,081	3,732,011
Less - Taxes paid	153,562,358	(3,733,825)
Net Cash generated / (used) in Operating Activities (A)	(31,520,002)	(10,200,000)
	399,457,500	209,053,924
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Dividend Income	(445,186,874)	(134,368,144)
Profit from Partnership Firm	596,628	424,371
Profit on Sale of Investment	1,863,795	4,485,601
(Purchase) / Sale of Investments	1,220,913	374,250
Net Cash generated / (used) in Investing Activities (B)	(17,244,732)	2,131,536
	(638,950,270)	(126,932,356)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings		
Advance given	131,908,264	6,136,730
Interest received	5,350,817	(16,683,371)
Interest paid	691,158	743,176
	(70,473,702)	(69,674,184)
Net Cash generated / (used) in Financing Activities (C)	59,476,537	(79,477,630)
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	(16,233)	2,643,906
Cash & Cash Equivalents - Opening Balance	8,891,720	6,247,812
Cash & Cash Equivalents - Closing Balance	8,875,487	8,891,720

Notes form an integral part of the Financial Statements

As per our report of even date attached

For S M M P & Associates
Chartered Accountants

Sonal B. Parekh
Partner



For Avalon Cosmetics Private Limited

Sameer R. Kothari
Director

Asha R. Kothari
Director

Place: Mumbai

Date: 02nd September, 2017

AVALON COSMETICS PRIVATE LIMITED
Notes forming part of Balance Sheet as at 31st March 2017

Note 1 :- SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared, except wherever otherwise stated, on accrual basis under the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision (to the extent notified) issued by the Central Government, in exercise of the powers conferred under sub-section (1) & (2) of Section 469 and the relevant provisions of the Companies Act, 2013.

1.2 Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from the accounting estimates and the difference thereon, if any, is recognized in the period in which the results materialize.

1.3 Inventories

Inventories are carried at the lower of Cost or Net Realizable Value. Inventories consist of raw material / packing material, work-in progress, finished goods, goods-in transit and stock-in trade.

1.4 Income and Expenses Recognition

- (i) All income and expenses are accounted for on accrual basis, except to the extent stated otherwise.
- (ii) Sales of products in domestic market are recognized when they are dispatched to customers at invoice value and are consistently reported net of trade discounts, sales tax and sales returns.
- (iii) Incentives/ Subsidies from Government are accounted for on receipt basis.

1.5 Trade Receivables and Trade Payables

- (i) Irrecoverable amounts, amounts not payable, etc., if any, are either accounted or provided for as per the management's judgment based on its potential outcome.
- (ii) Discounts, rebates, rate differences, etc. are accounted as and when the claims are settled or accounts are reconciled with the parties.



1.6 Fixed Assets and Depreciation

- (i) Fixed Assets are stated at cost of acquisition / construction cost, less accumulated depreciation / amortization and impairment loss.
- (ii) Cost includes ancillary expenses, project expenses and pre-operative expenses incurred for the period up to the date the concerned assets are put to use / completion of construction.
- (iii) Depreciation / Amortization is charged under Written Down Value (WDV) method, based on useful lives of the fixed assets and in the manner as prescribed in Schedule II to the Companies Act, 2013.

1.7 Capital Work-in progress

Capital Work-in-progress consists of cost of fixed assets that are not ready for its intended use at the reporting date. Expenditure incurred during the construction period directly attributable to the cost of bringing the assets to its working conditions and all common costs allocated on rational basis are treated as pre-operative expenses (pending allotment) and are shown under 'Capital Work-in Progress' and the same are allocated on pro-rata basis to the assets capitalized on commencement of commercial operations.

1.8 Borrowing Costs

- (i) Borrowing costs attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.
- (ii) Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.9 Foreign Currency Transactions

- (i) Income and Expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction.
- (ii) Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognized in the statement of profit and loss.

1.10 Investments

- (i) Long-term Investments are stated at cost, less provision for other than temporary diminution in value.
- (ii) Current Investments are stated at the lower of cost and fair value.

1.11 Employee Benefits

Gratuity, Leave Encashment and Bonus is accounted for on cash basis.

1.12 Leases

- (i) Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are classified as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis.
- (ii) Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

1.13 Impairment of Assets

The Management reviews the carrying amounts of its assets included in each cash generating unit to whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized as income in the statement of profit and loss.

1.14 Taxation

- (i) Current Tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and provisions.
 - (ii) Deferred Tax is recognized on the basis of timing differences, being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods and is measured using tax rates that have been enacted or substantively enacted as at the Balance Sheet date.
- In the event of unabsorbed depreciation and / or carry forward losses, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets.
- In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.
- Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.
- The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.
- (iii) Minimum Alternate Tax is recognized as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will realize.

1.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when a present obligation exists as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which 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 recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.



AVALON COSMETICS PRIVATE LIMITED (CONSOLIDATED)
Notes forming part of Balance Sheet as at 31st March 2017

(Amount in Rs.)

Note 2:- Share Capital

Particulars	As at	
	31st March 2017	31st March 2016
Authorized Capital		
10,00,000 Equity Shares of Rs.10 each	10,000,000	10,000,000
Issued, Subscribed & Paid-up Capital	10,000,000	10,000,000
1,18,709 Equity Shares of Rs.10 each, fully paid-up	1,187,090	1,187,090
Total	1,187,090	1,187,090

a) Reconciliation of the number of equity shares outstanding

Particulars	As at	
	31st March 2017	31st March 2016
Number of shares at the beginning		118,709
Add: Number of shares issued	118,709	-
Number of Equity Shares at the end	118,709	118,709

b) Rights, preferences and restrictions attached to the equity shares
The company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

c) Particulars of shareholders holding more than 5% of the aggregate equity shares in the Company

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
Sumeer Kothari	45,000	38%	45,000	38%
Asha Kothari	45,000	38%	45,000	38%
Vartycare India Private Limited	26,911	23%	26,911	23%

Note 3:- Reserve & Surplus

Particulars	As at	
	31st March 2017	31st March 2016
Reserves		
Capital Subsidy Reserve	1,016,382	1,016,382
Securities Premium	4,993,328	4,993,328
Surplus / (Deficit) in Statement of Profit and Loss (A)	5,609,710	5,609,710
Opening Balance	360,059,671	314,081,213
Add / (Less) :- Profit / (Loss) for the Year	45,667,003	46,028,155
Closing Balance	405,726,704	360,059,658
Total (A+B)	411,336,414	365,669,378

Note 4 :- Deferred Tax Liability (net)

Particulars	As at	
	31st March 2017	31st March 2016
Deferred Tax Liability (due to difference in depreciation under the Companies Act & the Income tax Act)	24,770,951	19,133,180
Total	24,770,951	19,133,180



Note 5 - Long-term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
Term Loan from Banks/ Financial Institution		
KCI Bank (Hyderabad Unit) (Secured by pari passu charge of hypothecation on the entire fixed assets, both present & future in Hyderabad and second charge by way of equitable mortgage on the Company's properties situated at Hyderabad Unit. This loan is repayable in 36 quarterly installments commencing from January 2016.)	99,140,000	106,932,802
KCI Bank (SRIL)	28,974,768	
Sharan Vihar Co-operative Bank (Hyderabad Unit) (Secured by pari passu charge of hypothecation on Land & Construction of Factory Shed at Hyderabad Unit and Hypothecation of Plant & Machinery, Utilities, Computers, Fittings, Furniture & Fixtures. This loan is repayable in 72 Equal Monthly Installments (EMIs) commencing from November 2015, interest saved @ 11.50% p.a.)	149,611,217	185,119,690
Sharan Vihar Co-operative Bank (Hyderabad Unit) (Secured by first pari-passu charge of hypothecation on Fixed Assets created out of Term Loan at Hyderabad Unit. This loan is repayable in 40 Equal Monthly Installments (EMIs) commencing from April 2017, interest saved @ 11.50% p.a.)	66,356,842	11,928,995
Sharan Vihar Co-operative Bank (Chintamani Unit) (Secured by equitable mortgage of Land & Building and hypothecation of Plant & Machinery at Chintamani Unit. This loan is repayable in 60 Equal Monthly Installments (EMIs) commencing from May 2013, interest saved @ 12.50% p.a.)	69,359,948	115,258,326
Small Industries Development Bank of India (Chintamani Unit) (Secured against subsequent charges against on the entire fixed assets, both present & future to be created and first & exclusive charge by way of equitable mortgage on the Company's properties situated at Nasik Unit and Chintamani Unit. This loan is repayable in 57 monthly installments commencing from July 2014.)	11,075,000	22,175,000
Sharan Vihar Co-operative Bank (Nasik Unit) (Secured by equitable mortgage of Land & Building and hypothecation of Plant & Machinery at Nasik Unit. This loan is repayable in 60 Equal Monthly Installments (EMIs) commencing from May 2015, interest saved @ 12.50% p.a.)	11,587,719	21,382,666
KCI Bank (Mumbai Unit) (Secured by equitable mortgage of Land & Building and hypothecation of Plant & Machinery at Hyderabad Unit. This loan is repayable in 24 quarterly installments commencing from January 2016.)	177,437,769	32,471,940
Total	625,983,633	494,005,172

Note 6 - Long-term Provisions

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Contingent Liabilities	191,134	191,158
Total	191,134	191,158



Note 7 :- Short-term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
ICICI Bank CC Account (Hyderabad Unit) (secured against First Pari passu charge by way of hypothecation of Inventories, Trade Receivables and Other Current Assets at Nashik, Hyderabad and Coimbatore Unit and Second Charge on Nashik Fixed Assets and personally guaranteed by two directors.)	72,706,171	29,569,864
Shamrao Vitthal CC Account (Nashik Unit) (secured against first charge by way of hypothecation of entire assets at the Company, including stock & receivables, both present & future, at the Company's units at Hyderabad, Nashik and Coimbatore but excluding Poanta Sahib on pari passu basis, interest served @ 12.50%p.a.)	55,697,405	63,085,631
Total	128,403,576	92,655,495

Note 8 :- Trade Payables

Particulars	As at 31st March 2017	As at 31st March 2016
For capital goods	48,219,426	10,847,251
For goods	361,875,389	226,612,753
For expenses	169,910,786	27,948,679
Total	580,005,600	265,408,683

Note 9 :- Other Current Liabilities

Particulars	As at 31st March 2017	As at 31st March 2016
Current maturities of long-term debt	126,202,363	91,449,155
Advance from Inter-Units	-	-
Advance from Body Corporate	-	-
Advances received	8,113,410	8,054,201
Security deposit received	100,000	-
Bank overdraft with bank	818,958	698,103
Employees dues payable	1,101,401	1,841,698
Provision for taxation (net of advance tax)	11,500,000	10,200,000
Statutory dues payable	14,855,812	14,269,275
Provision for expenses	5,538,584	1,218,758
Total	168,230,527	127,731,190



AVALON COSMETICS PRIVATE LIMITED (CONSOLIDATED)
 Notes forming part of Balance Sheet as at 31st March 2017

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION		NET BLOCK	
		As at 31.03.2016	Additions during the Year	Reductions / Transferred during the Year	As at 31.03.2017	Up to 31.03.2016	Provided during the Year	As at 31.03.2017	As at 31.03.2016
1. TANGIBLE ASSETS									
1	Land and Buildings	61,776,000	176,051,100	-	237,827,100	799,957	41,602,021	237,027,143	85,976,813
2	Factory Premises	526,811,982	77,199,078	-	604,011,060	135,483,000	114,011,202	488,999,858	481,348,949
3	Plant & Machinery	199,595	281,032,786	-	281,232,281	76,278	22,566	281,056,003	123,257
4	Factory and Office Equipments	15,952,079	6,802,794	-	22,754,873	200,147,019	75,877,067	15,077,806	268,679,422
5	Furniture and Fixtures	19,331,577	1,202,715	-	20,534,292	3,213,334	3,517,214	17,017,078	8,77,437
6	Computers	4,179,876	948,198	-	5,128,074	10,048,916	2,598,201	7,529,873	9,253,660
7	Motor Vehicles	2,713,366	698,022	-	3,411,388	3,217,364	498,638	1,002,246	602,483
8	SUB-TOTAL (A)	1,141,776,812	986,353,691	-	2,128,130,503	361,279,899	151,983,402	1,766,850,604	780,896,307
2. CAPITAL WORK-IN-PROGRESS									
1	Construction of new Planting Allotment	84,514,059	18,817,016	74,194,866	1,647,019	-	-	28,817,816	24,142,869
2	Land	42,332,000	-	42,332,000	-	-	-	-	42,332,000
3	Factory Premises	3,183,171	9,336,927	6,153,756	9,766,929	-	-	9,385,029	8,983,311
4	Furniture and fixtures	10,181	-	10,181	-	-	-	-	10,181
5	Computers	23,000	-	23,000	-	-	-	-	23,000
6	Assets	84,514,059	6,507,117	81,021,176	8,942,117	-	-	9,031,117	9,031,117
7	SUB-TOTAL (B)	1,38,385,467	35,760,160	1,31,175,133	1,62,036,063	81,021,176	81,819,682	1,80,214,886	1,80,214,886
Total (Almost Zero) (A+B)		1,283,162,279	1,022,113,851	1,311,305,639	2,190,166,566	442,301,075	233,803,084	1,947,865,491	961,111,193
Total (Previous Year)		1,092,234,653	193,382,347	1,285,617,000	1,425,083,809	295,613,854	186,901,243	1,238,470,555	865,007,298



AVALON COSMETICS PRIVATE LIMITED (CONSOLIDATED)
Notes forming part of Balance Sheet as at 31st March 2017

(Amount in Rs.)

Note 11 : Non-current Investments		As at 31st March 2017		As at 31st March 2016	
Particulars					
(a) (i) In Equity Shares					
(quoted, FV > Rs.10 each, fully paid-up)					
WIPAC Ltd.	26,676	5,373,706	26,676	3,373,796	
Reliance Industries Ltd.	5,300	48,909	5,300	48,909	
Safar Power Ltd.	168	187,401	168	193,101	
Future Capital Holdings Ltd.	4,710	896,138	4,710	894,138	
Oxy Ltd. (100+ 600 Bonus)	33	25,245	33	25,245	
Tata Motors Ltd. (Div)	7,800	299,680	7,800	243,100	
Trill	5,152	1,102,732	5,152	1,102,732	
Adf Feeds Ltd.	88	35,541	88	33,541	
Primal India Ltd. (Merge With Jyothy Ltd)	16,000	1,994,277	16,000	1,994,277	
Spice Jet Ltd.	-	-	24,170	843,743	
Maruti Suzuki Ltd.	10,000	1,204,437	45,000	1,290,457	
The Suez Ltd.	500	621,796	500	621,796	
Jyothy Laboratories	6,294	490,612	6,294	450,612	
Lakshmi Machine Ltd.	1,692	1,310,232	2,694	469,487	
Adani Power Ltd.	213	742,867	713	742,867	
Minvest	16,900	968,814	16,900	968,814	
Reliance Communication	3,000	309,743	3,000	309,743	
Glocon India Consumer Healthcare Ltd.	2,000	106,395	2,000	186,795	
Herfotech	300	1,126,429	300	1,126,429	
Siemens	5,000	24,150	3,000	26,150	
Siemens	-	-	500	13,543	
Pitchoff	100	110,420	100	110,420	
Tata	400	32,715	1,000	81,788	
Bank Ltd.	1,500	113,094	1,500	115,994	
Yas Bank	-	-	10,000	96,387	
Unimont	5	3,785	5	3,785	
Schneider	-	-	500	32,389	
Alcoa	730	133,294	500	133,294	
Bathmate (100+300 Bonus)	50	13,314	50	13,314	
Nucleo Ltd.	400	63,522	100	63,522	
Lin	100	115,838	100	613,806	
Delta Corp	1,000	134,969	1,000	154,969	
Sunpharma	-	-	750	67,138	
Bonifog	1,100	95,687	900	742,397	
Vera Shipping	600	694,257	500	584,910	
Incy	12,500	112,074	12,500	112,074	
Boondying	50	52,024	-	-	
S.H.Kelkar	500	24,900	-	-	
Burl	500	109,005	-	-	
Chico	1,000	90,920	-	-	
Tata Motors	500	42,565	-	-	
	250	113,467	150	113,467	
(ii) In Equity Shares	(A)	19,480,111		19,086,703	
(unquoted, FV > Rs.10 each, fully paid-up)					
Shankar Vihari Co-operative Bank		2,600		2,600	
Jankoyan Sahakar Bank		1,000		1,000	
	(B)	3,600		3,600	
(iii) In Partnership Firm					
Fixed Capital					
Athens Laboratories		250,000		250,000	
Sarvam Industries		50,000		50,000	
Current Capital					
Athens Laboratories		78,347,771		62,541,005	
Sarvam Industries		14,994,956		20,639,699	
Spans Healthcare		23,647,138		17,206,674	
	(C)	117,489,865		100,688,383	
		336,973,478		319,738,746	

Aggregate Market Value of Investments: Rs. 69,248.14 Lakhs (Previous Year: Rs. 401.26 Lakhs)



AVALON COSMETICS PRIVATE LIMITED (CONSOLIDATED)
Notes forming part of Balance Sheet as at 31st March 2017

(Amount in Rs.)

Note 12 :- Long-term Loans and Advances

Particulars	As at 31st March 2017	As at 31st March 2016
Capital advances		
Security deposit given	3,685,339	14,865,663
Total	16,290,050	21,600,373

Note 13 :- Deferred Tax Assets (Net)

Particulars	As at 31st March 2017	As at 31st March 2016
Deferred Tax Asset (due to difference in depreciation under the Companies Act & the Income tax Act)	4,096,302	
Total	4,096,302	

Note 14 :- Inventories

Particulars	As at 31st March 2017	As at 31st March 2016
(as certified by management, valued at cost)		
Raw material / packing material	142,766,631	95,026,041
Work-in-progress	15,799,993	8,201,429
Finished goods	62,517,215	35,135,498
Goods-in-transit	906,121	928,939
Stock-in-trade	-	3,749,000
Total	222,989,960	143,125,908

Note 15 :- Trade Receivables

Particulars	As at 31st March 2017	As at 31st March 2016
(unsecured, considered good)		
Outstanding for more than six months		
Others	515,210,24	515,210,24
Total	308,683,216	154,621,935
	309,198,456	155,137,145

Note 16 :- Cash and Bank Balances

Particulars	As at 31st March 2017	As at 31st March 2016
Cash and Cash Equivalents		
Cash-in-hand	869,775	822,956
Balance with banks in current accounts	3,712,922	7,826,111
Other Bank Balances		
Bank deposits with more than 12 months maturity	2,292,790	142,652
Total	6,875,487	8,891,720

Note 17 :- Short-term Loans and Advances

Particulars	As at 31st March 2017	As at 31st March 2016
(unsecured, considered good)		
Advance given	8,047,239	12,411,548
Advance to Inter-Units	-	-
Staff loans and advances	262,294	228,241
Advance tax (net of provision for tax)	13,497,519	17,976,740
Total	21,806,992	30,616,529

Note 18 :- Other Current Assets

Particulars	As at 31st March 2017	As at 31st March 2016
Advances to body corporates	-	256,052
Prepaid expenses	2,977,375	2,019,454
Interest Accrued On FD With SBI Bank	398,955	
Receivable from Customs Authority	1,142,725	
Current credit receivables	7,639,815	940,798
Service tax input credit receivable	291,409	256,691
Input tax credit	12,194,632	8,017,589
Insurance claim receivable	10,000,000	10,000,000
DEPB license receivable	52,178	52,178
Total	34,452,069	21,542,662



AVALON COSMETICS PRIVATE LIMITED
Notes forming part of Statement of Profit and Loss for the year ended 31st March 2017

(Amount in Rs.)

Note 19 :- Revenue from Operations

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
From sales		
From processing charges	2,085,901,363	1,330,979,816
Total	293,363,074	285,887,476
	2,329,264,437	1,796,867,292

Note 20 :- Other Income

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Loading and Unloading		421,388
Interest	694,502	743,176
Interest on IT refund	692,158	-
Dividend	1,081,894	424,371
Discount received	396,628	22,761
Rent	3,464,176	120,000
Interest received on electricity deposit		67,520
Share in profits from partnership firm	156,000	4,485,601
Share in profits from partnership firm	1,863,795	374,250
Profit / Loss on sale of investments	1,220,913	2,073,326
Sale of Scrap	6,470,124	-
Exchange rate fluctuations	11,060	29,853
Sundry Balances Written Back	3,360,703	1,648,981
Excess provision written back		156,767
Miscellaneous Income		10,567,993
Total	2,728,296	156,767
	22,089,247	10,567,993

Note 21 :- Purchase of Stock-in-Trade

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Purchases of Trading Goods		
Total	2,198,956	3,749,030
	2,198,956	3,749,030

Note 22 :- Cost of Material Consumed

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Opening stock of Raw Material & Packing Material	95,026,041	70,245,342
Opening goods-in transit	929,999	
Add :- Purchases+Import+Customs Duty+Freight	1,824,198,114	1,307,555,053
Less :- Closing stock of Raw Material, Packing Material & Bulk	(142,764,631)	(95,026,041)
Less :- Goods in transit	(905,121)	(929,999)
Total	1,776,484,342	1,281,844,414

Note 23 :- Changes in Inventories

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Opening Stock of Finished Goods	38,888,529	26,034,926
Less :- Closing Stock of Finished Goods	(62,817,215)	(38,888,529)
Opening Stock of Work-in Progress	(23,928,686)	(12,853,604)
Less :- Closing Stock of Work-in Progress	8,281,429	11,966,363
	(15,739,993)	(8,281,429)
Total (A+B)	(7,478,564)	30,4953
	(31,407,249)	(9,168,670)



Note 24 - Employee Benefit Expenses

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Salaries and incentives		
Bonus	158,866,114	
Contributions to Provident Fund & ESIC	3,854,138	143,408,085
Staff Welfare	4,425,286	
Total	4,126,214	3,633,318
	171,271,752	4,882,093
		151,923,496

Note 25 - Finance Cost

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Interest		
Bank Charges	78,473,702	69,674,184
Total	896,951	1,442,079
	79,370,653	71,116,263

Note 26 - Other Expenses

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Advertisement & Publicity	427,315	614,502
Audit Fees	384,754	482,854
Car Hire Charges	92,500	60,000
Cleaning Charges	364,841	542,161
Commission Charges	-	70,000
Computer Expenses	334,033	102,534
Consumable stores	9,594,548	6,643,865
Conveyance & Travelling	3,790,544	4,134,586
Courier Charges	501,665	506,704
Donation	515,541	217,373
Factory Expenses	5,493,545	6,421,633
Freight	4,719,480	1,108,735
Exchange Rate Fluctuations	1,773	82,251
Gardening Expenses	356,481	493,788
Guest House Expenses	133,526	171,445
Inspection Fees	150,699	213,900
Insurance	1,838,754	732,951
Other Interest	1,030,439	160
Laboratory Expenses	2,407,891	1,581,187
Manpower charges	724,744	-
Membership & Subscription Charges	-	11,937
Office Expenses	245,607	64,940
Packing Expenses	18,801,751	18,745,584
Pollution Control Expenses	33,438	28,750
Power & Fuel Expenses	53,244,021	51,744,794
Printing & Stationary	1,680,125	1,446,768
Professional Fees	9,698,664	6,096,721
Recruitment Expenses	-	26,220
Rent Rates and Taxes	34,565,482	21,734,208
Repairs & Maintenance	13,049,857	11,846,929
Security Charges	4,173,618	3,860,925
Sundry Balance w/off	-	1,371,340
Telephone and Internet Charges	612,058	946,492
Vehicle Expenses	688,786	686,235
Water Charges	973,587	1,009,622
Miscellaneous Expenses	400,068	3,175,795
Total	171,030,104	146,980,808



AVALON COSMETICS PRIVATE LIMITED
Notes forming part of Balance Sheet as at 31st March 2017 (Cont.)

27. Earnings / (Loss) per Equity Share (basic and diluted)

Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
Amount used as Numerator (Profit after Tax)(Rs.)	45,667,083	460,28,45
Amount used as Denominator (No. of Equity Shares) (Nos.)	118,709	118,70
Nominal Value per Equity Share (Rs.)	10	1
Earnings / (Loss) per Equity Share (Rs.)	384.70	387.7

28. Contingent liabilities as may arise due to delayed / non-compliance of certain fiscal statutes :- Amount unascertainable (Previous Year - Amount unascertainable)

29. CIF value of Goods imported Rs.313.67 Lacs (Previous Year :- Rs. 218.78Lacs)

CIF value of Plant & Machinery imported Rs.276.52 Lacs (Previous Year :- Rs.50.41Lacs)

30. All the Company's investments are long-term in nature and hence, no diminution is considered necessary in their book values, unless specified otherwise as permanent diminution.

31. (a) The Company accounts for Gratuity, Leave Encashment and Bonus on cash basis, which is in non-compliance of recommendations of AS-15. Amount of such non-provision on actuarial basis is unascertained (Previous year :- Amount unascertained).

32. Insurance Claim Receivable amounting to Rs.100 Lacs (Previous Year :- Rs. 100Lacs) remains pending to be recovered / realized for a long period. However, the Company is of the opinion that the said amount will be receivable in full in the near future and no provision in respect of the same is necessary.

33. In the opinion of the management, Current Assets and Loans & Advances are realizable at the values stated in the financial statements in the ordinary course of business and adequate provision for all known liabilities has been made in the accounts.

34. The Company believes that no significant impairment of assets arised during the year in accordance with AS-28, in respect of the Company's assets.

35. There are no Micro and Small Enterprise to whom the Company owes dues, which are outstanding more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterpriar Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company and relied by the Auditors.



36. Segment Reporting (as required by AS-17) Segment Reporting (as required by AS-17)

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company. As regards secondary reporting, revenues are attributed to geographical areas based on the location of the customers. The table below presents the revenue, profit, assets and liabilities information relating to the Business / Geographical segments as at 31st March, 2017 :-

Particulars	(Ponta & Food Food Detergent Powder)					(Amount in Lacs)	
	Ponta	Nasik	Coimbatore	Hyderabad	Kalambh	Unallocable	Total
External Revenue	112.23	1,391.88	2,015.75	17,909.34	2,084.33	-	23,513.53
	(138.50)	(1,532.04)	(1,612.16)	(14,791.66)	-	-	(18,074.35)
Segment Results	(50.19)	(123.58)	335.92	201.63	256.43	-	580.20
	(113.60)	(124.20)	(184.40)	(598.69)	-	-	(545.29)
Profit (before tax)							580.20
							(545.29)
Current Tax							(108.11)
							(102.00)
Deferred Tax							(15.42)
							(17.00)
Profit (after tax)							456.67
							(460.28)
Segment Assets	1,491.42	1,576.36	3,041.32	8,258.66	4,575.39	356.93	19,401.08
	(1,821.78)	(1,825.20)	(3,235.28)	(6,912.15)	-	(1,049.58)	(14,843.99)
Segment Liabilities	1,725.88	1,049.47	3,067.92	9,503.55	3,874.66	179.60	19,401.08
	(1,989.28)	(1,321.91)	(3,368.09)	(6,713.68)	-	(407.49)	(13,890.45)
Depreciation	36.90	138.05	325.33	706.65	36.89	-	1,243.86
	(44.44)	(139.66)	(337.88)	(541.63)	-	(1.01)	(1,064.62)

Note :- Previous Year's figures are shown in bracket



37. The Company is a Partner in the following Partnership Firms :-

- (i) Athene Laboratories
- (ii) Shivom Industries
- (iii) Spans Healthcare

The relevant details are as follows :-

(i) Athene Laboratories

(a) Names of the Partners along with Profit Sharing Ratio

Name of the Partners	Profit Sharing Ratio
Avalon Cosmetics Private Limited	50%
Shree Sameer R. Kothari	30%
Smt Aditi S. Kothari	20%
Total	100%

(b) Total Capital of the Firm :- Rs.593.11 Lacs

Contribution of the Company towards Fixed Capital :- Nil

Balance in Current Account :- Rs. 731.37 Lacs (Previous Year :- Rs. 5.00 Lacs)

(c) Share of Profit / (Loss) :- Rs. 54.60 Lacs (Previous Year - Rs. 57.22 Lacs) has been recognized in the Statement of Profit and Loss.

(ii) Shivom Industries

(a) Names of the Partners along with Profit Sharing Ratio

Name of the Partners	Profit Sharing Ratio
Avalon Cosmetics Private Limited	30%
Mahak Cosmetics & Credits P. Ltd	35%
Asha R. Kothari	35%
Total	100%

(b) Total Capital of the Firm :- Rs.365.81 Lacs

Contribution of the Company towards Fixed Capital :- Rs.0.5 Lacs

Balance in Current Account :- Rs.146.39 Lacs (Previous Year :- Rs. 1.50 Lacs)

(c) Share of Profit / (Loss) :- Rs. 3.55 Lacs (Previous Year - Rs. 0.64 Lacs) has been recognized in the Statement of Profit and Loss.

(iii) Spans Healthcare

(a) Names of the Partners along with Profit Sharing Ratio

Name of the Partners	Profit Sharing Ratio
Avalon Cosmetics Private Limited	50%
Aditi S. Kothari	50%
Total	100%

(b) Total Capital of the Firm :- Rs. 189 Lacs

Contribution of the Company towards Fixed Capital :- Nil

Balance in Current Account :- Rs. 277.98 Lacs (Previous Year :- Rs. 1.50 Lacs)

(c) Share of Profit / (Loss) :- Rs.(39.51) Lacs (Previous Year - Rs. 11.72 Lacs) has been recognized in the Statement of Profit and Loss.



28. Related Parties Disclosures (as required by AS-18)

(i) Subsidiary/ Fellow Subsidiary

None

(ii) Key Management Personnel

Shri Sameer

(iii) Enterprises owned or significantly influenced by Key management personnel or their Relatives (Associates)

(i) Christine Valmy Institute Private Limited

(ii) Shivam Industries

(iii) Athene Laboratories (Partnership Firm)

Transactions with Related Parties

(Amount in Lacs)

Particulars	Transactions with Key Management Personnel	Transactions with Enterprise owned or significantly influenced by Key Management Personnel or their Relatives (Associates)	Total
Sale of Goods	-	60.93	60.93
Purchase of Goods	-	(33.76)	(33.76)
Remuneration	-	51.21	51.21
	-	(190.46)	(190.46)
Purchase of Fixed Assets	24.0	-	24.0
	(24.0)	-	(24.0)
Expenses	-	22.09	22.09
	-	-	-
	-	0.29	0.29
	-	(10.5)	(10.5)

Note - (i) Related parties are identified by the Company and relied upon the Auditors.
(ii) Previous Year's figures are shown in bracket.

39. Taxation

(i) **Current Tax** - Provision towards Current Taxation has been made as per MAT provisions under section 115 of the Income Tax Act, 1961 to the extent Rs. 115.00 Lacs (Previous year: Rs. 102.00 Lacs)

(ii) **Deferred Tax Asset** - Deferred Tax Asset has been recognized as per AS- 22

Particulars	(Amount in Rs.)	
	As at 31st March 2017	As at 31st March 2016
Opening Deferred Tax Liability		
Closing Deferred Tax Liability (on account Timing Differences)	(19,133,180)	(20,833,138)
Effect in Statement of Profit & Loss	(20,674,619)	(19,133,180)
Tax Rate: -33.063 % (Previous Year: -33.063%)	(1,541,439)	(1,699,957)



40. Details of "Specified Bank Notes" held and transacted

Particulars			(Amount in Rs.)
	Specified Bank Notes	Other Denomination Notes	Total
Balance as on 8th November 2016	264,000	357.00	264,357
Add : Permitted Receipts	156,000	957,710	1,113,710
Less : Permitted Payments	-	593,172.00	593,172
Less : Deposits	420,000	76,000.00	496,000
Balance as on 30th December 2016	-	288,895	288,895

Above cash position is only for the locations where the Specified bank notes has been deposited between 08th November to 30th Dec 2016

For Avalon Cosmetics Private Limited


Sameer R. Kothari
Director


Asha R. Kothari
Director

Place : Mumbai

Date : 02nd September, 2017

