

PARAMOUNT

Rising beyond imagination

PARAMOUNT COSMETICS (INDIA) LIMITED

**THIRTY FIFTH ANNUAL REPORT
2019-2020**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hiitesh Topiiwaalla – Managing Director
(DIN: 01603345)

Ms. Aartii Topiwaala – Director
(DIN: 03487105)

Mr. Shishir B. Desai – Independent Director
(DIN: 01453410)

Mr. V.N. Mehta – Independent Director
(DIN: 02800993)

REGISTERED OFFICE

A-1/2211 III PHASE GIDC VAPI GUJARAT-396195

E-MAIL

compliance.officer@parammount.com

WEBSITE: www.parammount.com

CIN: L24240GJ1985PLC008282

CORPORATE OFFICE

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

Phone no. +918025320870/71

CHIEF FINANCIAL OFFICER - Mr. Rajnish Matta

**COMPLIANCE OFFICER &
COMPANY SECRETARY** Mr. Santosh Shah

BANKERS IDBI Bank Limited

STATUTORY AUDITORS M/s. PARY & Co.,
Chartered Accountants,
Surat.

REGISTRAR & SHARE TRANSFER AGENT

BgSE Financials Limited

Stock Exchange Towers, No.
51, 1st Cross, J.C Road,
Bangalore – 560027

Phone : 08041329661

E- Mail : rta_admin@bfsl.co.in
manager_rta@bfsl.co.in

CONTENTS

<u>Particulars</u>	<u>Page No.</u>
Corporate Information	2
Notice of Annual General Meeting	3-9
Director's Report	10-15
Annexure to Directors Report	16-17 / 21-30
Secretarial Audit Report (Form MR-3)	18-20
Management Discussion and Analysis	31-33
Corporate Governance Report	34-51
Compliance Certificate under Regulation 17(8) of SEBI LODR Regulations, 2015	45
Certificate on Corporate Governance from Practising Company Secretary	46
Auditors' Report	53-61
Balance Sheet	62
Profit & Loss Account	63
Cash Flow Statetment	64
Notes on Accounts	65-87
Attendance Slip	NA
Proxy Form	NA

**As an austerity measure, copies of annual report will not be distributed at annual general meeting;
Members are requested to bring their copies at Annual General Meeting.**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty Fifth Annual General Meeting (35TH)** of the Members of **Paramount Cosmetics (India) Limited** ("Company") will be held on Friday, December 18, 2020 at 2:30 PM through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2020 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 ratify appointment of M/s PARY & Co., Chartered Accountants as Statutory Auditors of the Company for FY 2020-21, and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

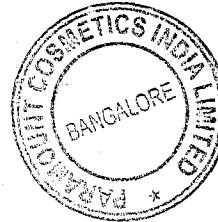
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force M/s PARY & Co., Chartered Accountants (Firm Registration No. 007288C), Surat, who were appointed by the members in the 34th Annual General Meeting, as Statutory Auditors of the Company for a period of 5 financial years i.e., for FY 2019-20 to FY 2023-24, and such appointment was subject to ratification by the members of the company in every inter-vening annual general meeting, thereby, the members of the Company, do hereby ratify the appointment of M/s. PARY & Co., as Statutory Auditors of the Company for FY 2020-21.

"RESOLVED FURTHER THAT, Mr. Hiitesh Topiiwaalla, Managing Director (DIN -01603345) of the Company, be and is hereby authorized severally to do all such acts, deeds, matters and things necessary or incidental thereto and give effect to this resolution.

3. To appoint a director in place of Ms. Aartii Topiwaala (DIN – 03487105), who retires by rotating and being eligible, offers herself for re-appointment.

"RESOLVED THAT, pursuant to provisions of Section 152 of the Companies Act, 2013, Ms. Aarti Topiwaala (DIN-03487105), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

For Paramount Cosmetics (India) Limited



Hiitesh
Hiitesh Topiiwaalla
Managing Director
DIN 01603345

Place: Bangalore
Date: 23-11-2020

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. **However, due to Covid-19 pandemic, as the AGM is being held through video conferencing (VC)/ Other Audio Visual Means (OVAM), the requirement of attaching Proxy Form does not arise & the same is not attached. Thereby the members may not be able to appoint proxies on their behalf at the 35th AGM.**
2. Corporate members intending to send their authorised representative to attend the Annual General Meeting (AGM) are requested to send Certified Copy of Resolution authorising their representative to attend and vote on their behalf at the AGM.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 11th December 2020 to Friday, 18th December 2020 (both days inclusive)**, in terms of Section 91 of Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015.
4. In accordance with the Companies Act, 2013, one-third of the directors who are liable to retire by rotation (except Mr. Hiitesh Topiiwaalla, who has been re-appointed as the Managing Director for a term of three years effective from 1st April, 2017) retire every year and, if eligible, offer themselves for re-appointment at the AGM.
5. Members are requested to notify immediately of any change in their address to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form are advised to notify any change in their address to the concerned depository participant.
6. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of Shares or any other Share related matters and/or change in address, furnishing of details of their bank accounts or updation thereof, to Company's Registrar - **BgSE Financials Limited**, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore - 560027. Ph. No. 080 41329661. E-mail: rta_admin@bfsi.co.in or manager_rta@bfsi.co.in
7. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means (**e-voting & remote e-voting**).
8. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Thursday, 10th December 2020** i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
9. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares **as on Thursday, 10th December 2020**, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or compliance.officer@parammount.com.
10. The members may cast their votes on electronic voting system from place other than the venue of the meeting (**remote e-voting**). **The remote e-voting period will commence at 9.00 a.m. on Tuesday, 15th December 2020 and will end at 5.00 p.m. on Thursday, 17th December 2020.** The e-voting module shall be disabled by CDSL for voting thereafter.
11. The facility for voting, through ballot paper, will not be made available at the AGM, as due to Covid-19 pandemic, the AGM will be held through VC/OAVM means and the members attending the AGM if not cast their votes by remote e-voting, may exercise their right and cast their votes through e-voting at the AGM. 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. Further, the members may note that there are no such matters at this AGM which requires to be passed through Postal Ballot, thereby they may proceed with voting through e-voting / remote e-voting.
12. The Company has appointed M/s. K.P. Ghelani & Associates, Company Secretaries, 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.

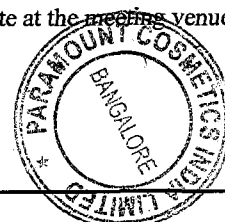
PROCEDURE FOR E-VOTING / REMOTE E-VOTING

CDSL e-Voting System – Remote & Venue Voting Facility.

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the EGM/AGM will be provided by CDSL.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. **Process for those shareholders whose email ids are not registered:**
 - a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to RTA email id- rta_admin@bfsi.co.in; or manager_rta@bfsi.co.in or cs_rta@bfsi.co.in; and/or to Company Email Id – Compliance.officer@parammount.com.
 - b) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to RTA email id rta_admin@bfsi.co.in; or manager_rta@bfsi.co.in or cs_rta@bfsi.co.in; and/or to Company Email Id: Compliance.officer@parammount.com.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER:

- (i) The voting period (for Remote e-voting) begins on **Tuesday, December 15, 2020 @ 9.00 AM IST and ends on Thursday, December 17, 2020 at 5.00 PM IST**. The e-voting module for remote e-voting shall be disabled by CDSL for voting thereafter. 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) i.e., December 10, 2020 may cast their vote electronically during remote e-voting period OR e-vote during the AGM.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.



(v) 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.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) 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.

(viii) 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both 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 (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant Company Name on which you choose to vote. In the given case, the Company Name will be Paramount Cosmetics (India) Limited.

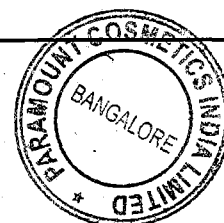
(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) 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.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



(xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE EGM/AGM ON e-VOTING SYSTEM ARE AS UNDER: -

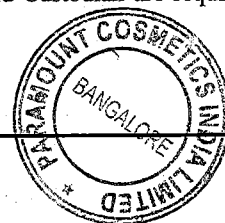
1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the EGM/AGM.
3. If any Votes are cast by the members through the e-voting available during the EGM/AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request **12 days prior to meeting (i.e., latest by December 5, 2020)** mentioning their name, demat account number/folio number, email id, mobile number at compliance.officer@paramount.com.
6. Shareholders who would like to express their views/have questions may send their questions in advance **12 days prior to meeting (i.e., latest by December 5, 2020)** mentioning their name demat account number/folio number, email id, mobile number at compliance.officer@paramount.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(xx) **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 linked in the login 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.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- 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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

For Paramount Cosmetics (India) Limited



Hiitesh
Hiitesh Topiiwaalla
Managing Director
DIN 01603345

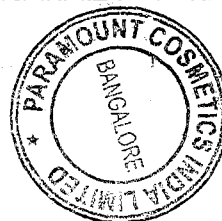
Place: Bangalore
Date: 23-11-2020

ANNEXURE TO NOTICE

Details of Directors seeking appointment / re-appointment in forthcoming Annual General Meeting
(In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Particulars	Details
Name of Director	Ms. Aartii Topiwaala
DIN	03487105
Date of Birth	18.07.1972
Age	48
Date of Appointment	14.02.2018
Qualification	B. Com
Expertise in specific functional area	Rich experience of more than 22 years in Fashion Design Industry
Shareholding in the Company	2600 Equity shares of INR 10/- each
Relationship with Other Directors	Wife of Mr. Hiitesh Topiwaalla
List of Companies in which Directorship held (including this Company)	Paramount Cosmetics (India) Limited Paramount Personal Care Private Limited Paramount Kum Kum Private Limited Parcos Brand Investments Private Limited Sepio Innovations Private Limited Parcos Brands Communications Private Limited Parcos Brands Private Limited
List of Chairmanship/ Membership of the Committees of Board of Public Companies as on March 31, 2020 (including this Listed Entity)	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

For Paramount Cosmetics (India) Limited



Hiitesh
Hiitesh Topiwaalla
Managing Director
DIN 01603345

Place: Bangalore
Date: 23-11-2020

ROUTE MAP OF VENUE OF AGM

The Members may note that as the 35th Annual General Meeting of Paramount Cosmetics (India) Limited, to be scheduled on Friday, 18th Day of December 2020, is through Video Conference (VC) / Other Audio Visual Modes (OVAM) mode, hence, the Route Map of Venue of AGM is not being annexed to the Notice and in Annual Report.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 35th Annual Report of your Company, together with the business operations for the year ended 31st March, 2020.

FINANCIAL RESULTS

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

Particulars	(Figures in Rs. lakhs)	(Figures in Rs. lakhs)
	Year ended	Year ended
	31.03.2020	31.03.2019
Sales and other Income	2421.76	2,190.92
Profit before Depreciation, Interest, Exceptional Items,	395.38	444.27
Depreciation	124.67	142.55
Interest and Finance Charges	225.22	250.37
Profit before Tax	45.49	51.35
Net Profit/Loss	-11.77	-12.77
Re Measurement of net defined benefit plan(Net of tax)	4.34	12.33
Balance carried forward to the Balance Sheet	-7.43	-0.43

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

INDIAN ACCOUNTING STANDARDS

The financial statements for the financial year 2019-20 have been prepared in accordance with the applicable Indian Accounting Standards (INDAS) and the corresponding figures for the previous year have been restated as per IND-AS for the purpose of comparison.

PERFORMANCE DURING THE YEAR

Sales and other Income of the Company for the year is Rs. 2421.76 lakhs as compared to Rs. 2,190.92 lakhs in the previous year, showing an increase of 10.53%. PBDIT has shown a decrease of 11% over its preceding year. Company has incurred a loss after tax amounting to Rs.11.77 lakhs in comparison to a loss of 12.77 lakhs last year.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2019-20.

DIVIDEND

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

SHARE CAPITAL

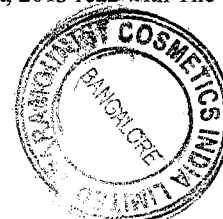
The paid up Equity Share Capital as on March 31, 2020 stood at Rs.485.50 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

DEPOSITS

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

TRANSFER TO RESERVE

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



MATERIAL CHANGES AND COMMITMENTS

During FY 2019-20, the Financial position of the Company did have some impact due to Lock-down imposed in the last month of March 2020 (specifically last week of March 2020), due to Covid-19 Pandemic. The operations of the Company were shut during to nationwide lockdown / restrictions imposed from March 25,2020, which has impacted its business to some extent in said FY 2019-20.

During FY 2020-21, the Company had a greater impact due to Lockdowns imposed in the first quarter of FY 2020-21. The revenue of the Company, profitability and the general market sentiments has impacted drastically impacting its liquidity. Your Company is in the business of non-essential items, and during lock down in the month of April & May 2020, the Company's operations were fully shut (except work from home wherever was feasible). After resumption of Unlock 1, our factories and offices opened with only 30% of working capacity in the month of June 2020, and this has heavily impacted our business to maintain our business operations and to even cover our business expenses.

Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations of your company's manufacturing, distribution centres, and extended supply chain partner locations got temporarily disrupted.

The Company, because of Covid-19 pandemic and its effects on lockdowns / restrictions on movement of people, estimates huge loss of revenue which will hugely impact the capability and maintain the infrastructure and people. This further affected the profitability and cashflows.

Hence, the Covid-19 pandemic will have material impact on the financial position of the Company.

EXTRACT OF ANNUAL RETURNS

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure -IV** in the prescribed Form MGT-9, which forms part of this Report. Further, a copy of Annual Return under Section 92(3) will be placed on the website of the Company @ <https://www.parammount.com/>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Aartii Topiwaala, who was appointed as non-executive, promoter Director of the Company on September 30th, 2019 as a director liable to retire by rotation is eligible for re-appointment and has tendered her willingness to be re-appointed.

The Company's Independent Directors include Mr. Vishwajeet Nalinkant Mehta and Mr. Shishir Babubhai Desai, who have been re-appointed for a term of 5 years in the 34th Annual General Meeting held on 30th September 2019. During FY 2019-20, Mr. Mukesh Tyagi, Independent Director, resigned from said post in February 2020.

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

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

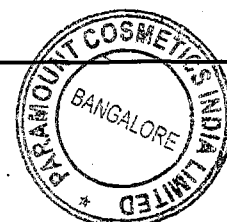
The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are forming part of the Corporate Governance Report.

During FY 2019-20, Ms. Pooja Agrawal, resigned as Company Secretary & Compliance officer of the Company w.e.f. January 10, 2020, and necessary communications with the BSE and ROC was communicated accordingly.

During FY 2020-21, Ms. Pratyusha Katam resigned as Chief Financial Officer of the Company. The Company appointed Mr. Santosh Shah as Company Secretary w.e.f. August 17, 2020, and Mr. Rajnish Matta as Chief Financial officer w.e.f. September 9, 2020.

BOARD COMMITTEES

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



- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Share Transfer Committee
- d) Stakeholders Relationship Committee
- e) Risk Management Committee
- f) Independent Director Committee

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

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

AUDITORS AND AUDITORS' REPORT

M/s. PARY & CO., Chartered Accountants, Surat (FRN: 007288C) were appointed as Statutory Auditors of the Company in the 34th Annual General Meeting (AGM), to hold office for a period of 5 consecutive years, until conclusion of 39th Annual General Meeting, subject to ratification by members at every inter-vening AGM. The Board proposes the ratification of auditors to the shareholders at ensuing AGM.

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

SECRETARIAL STANDARD OF ICSI

The Directors state that the applicable Secretarial Standards i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meeting of Board of Directors and General Meetings respectively, have been duly complied with.

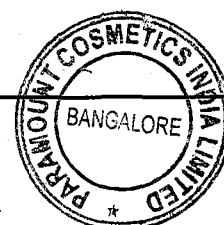
SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. K.P. Ghelani & Associates, Company Secretaries, bearing CoP No. 12468 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as an **Annexure I** forming part of this Annual Report.

PERFORMANCE EVALUATION

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

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



CORPORATE GOVERNANCE REPORT

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

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

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

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors was held on March 5, 2020 without presence of non-Independent Directors. In accordance with the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 the following matters were, inter alia reviewed and discussed in the meeting:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

POLICIES OF THE COMPANY

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

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

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As required under the above mentioned Act, we report that in the year 2019-20, no case of sexual harassment of women was filed under the said Act.

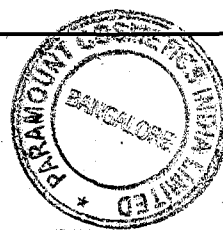
CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

Your Directors draw attention of the members to Notes to Accounts section of the financial statement on related party which sets out related party disclosures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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



The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

In terms of Section 136 of the Companies Act, 2013, the reports and accounts are being sent to the members and others entitled thereto. Due to Covid-19 pandemic, the reports and accounts are sent to email address of the members, whose names are registered with Company / Registrar and Transfer Agent.

DISCLOSURES

- 1) Your Directors state that no disclosure or reporting is required in respect to the Deposits covered under Chapter V of the Companies Act, 2013 and rules made thereunder as there were no transactions on these items during the year under review.
- 2) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 3) **Number of Meetings of the Board**
The details of the number of meetings of the Board held during the financial year 2019-20 forms part of the Corporate Governance Report.
- 4) **Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made under the Auditors Report and Secretarial Audit Report**

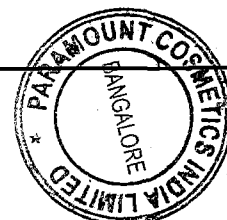
The Secretarial Auditor in its report has mentioned that the Company during for FY 2019-20 ended as on March 31, 2020, required re-constitution of Audit committee, Nomination & Remuneration Committee, Stakeholder Relationship committee and Share Transfer committee from February 11, 2020 on account of resignation of Mr. Mukesh Tyagi.

Board Comment: The Board has taken note of the observations of the auditor and wish to inform that the Board of Directors are in process of identifying suitable candidature for the post of a Director and on identification will re-constitute the committees in line with SEBI LODR Regulations.

The Secretarial Auditor in its Report also states that the Company did not have a Company Secretary during the period January 11, 2020 to August 16, 2020.

Board Comment: The Board had taken note of the same and was in process of identifying the candidature suitable for the post of Company Secretary. However, due to Covid-19 and Lockdowns kickstarted from March 2020 and onwards, there was some delay in appointing new Company Secretary. The Company has currently appointed Company Secretary w.e.f August 17, 2020.

- 5) **Particulars of Loans, Guarantees or Investments**
Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.
- 6) **Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;**
The Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 and Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is appended as an **Annexure II** to this Report.
- 7) **The amounts which it proposes to carry to any reserves**
NIL
- 8) **Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report**



During FY 2019-20, the Financial position of the Company did have some impact due to Lock-down imposed in the last month of March 2020 (specifically last week of March 2020), due to Covid-19 Pandemic. The operations of the Company were shut during nationwide lockdown / restrictions imposed from March 25, 2020, which has impacted its business to some extent in said FY 2019-20.

During FY 2020-21, the Company had a greater impact due to Lockdowns imposed in the first quarter of FY 2020-21. The revenue of the Company, profitability and the general market sentiments has impacted its liquidity. Your Company is in the business of non-essential items, and during lock down in the month of April & May 2020, the Company's operations were fully shut (except work from home wherever was feasible). After resumption of Unlock 1, our factories and offices opened with only 30% of working capacity in the month of June 2020, and this has impacted our business to maintain our business operations and to even cover our business expenses.

The Company, because of Covid-19 pandemic and its effects on lockdowns / restrictions on movement of people, estimates loss of revenue which will impact the capability and maintain the infrastructure and people. This further affected the profitability and cashflows.

Hence, the Covid-19 pandemic will have material impact on the financial position of the Company. **However, the Board is also of the view that the effect of the Pandemic on the Company is for short term and the Company may be in position to overcome these challenges in the medium term and long term**

- 9) **The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**
The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, is appended as **Annexure III** to this Report.
- 10) **Corporate Social Responsibility** – The Company do not meet the requisite criteria specified under Section 135 of the Companies Act, 2013, thereby requirement of constitution of CSR Committee and/or spending the CSR amount on the CSR Projects does not arise for the FY 2019-20 ended as on March 31, 2020.
- 11) **Disclosure on Detection of Fraud or Other Irregularities**

Pursuant to provisions of Section 134(3)(ca) of the Companies Act 2013, your directors report that there are no fraud or other irregularities detected/ reported by the Auditors under Section 143 (12) of the Companies Act, 2013.

ACKNOWLEDGEMENTS

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

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

Place: Bangalore
Date: 23.11.2020

By Order of the Board
Paramount Cosmetics (India) Limited


Hiitesh Topiwaalla
Managing Director
DIN: 01603345


Vishwajeet N Mehta
Director
DIN: 02800993



ANNEXURES TO DIRECTORS' REPORT

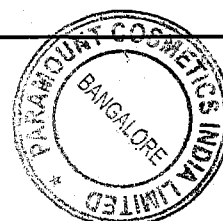
Particulars of Employees and related disclosures.

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.	-		
(ii) The percentage increase in remuneration of each director, Chief financial officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Director's - Nil Chief Financial Officer - Nil Company Secretary - Nil		
(iii) The percentage increase in the median remuneration of the employees in the financial year;	Nil		
(iv) The number of permanent employees on the rolls of company	113		
(v) Variations in the market capitalization of the company, price earnings ratio as at the closing date of current financial year and previous financial year ;and	(in lacs)		
		31.03.2020	31.03.2019
	Market Cap	573.86	922.45
	(In Rs.)		
	PE	-49.25	-73.77
(vi) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The company has been in existence for more than 34 years. The Equity shares of the company were listed more than 20 years back. Hence, such old records (the Stock Exchange) data is not available for comparison of share pricing at Public Offer.		
(vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Nil		
(viii) Affirmation that the remuneration is as per the remuneration policy of the company	Yes		

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

Name of the Employee	Hiitesh Topiwaalla
Designation	Managing Director
Remuneration Received (Net)	57.42 Lacs
Nature of Employment (Contractual/ Otherwise)	Employment
Qualification	B.Com
Experience	30 Years
Date of Commencement of Employment	01.08.2005
Age	47 Years
Last Employment held	Paramount Cosmetics (I) Ltd.



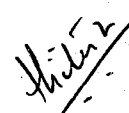
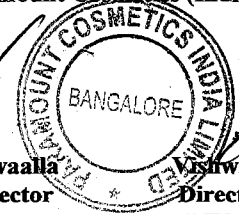

Percentage of Equity held in the Company	52.79% (Direct Holdings)
Relative of any Director/ Manager of the Company	Husband of Ms. Aartii Topiwaala

Employed during the financial year under review, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month: 1 (Mr. Hiitesh Topiwaala, Managing Director)

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

Place: Bangalore
Date: 23-11-2020

By Order of the Board
Paramount Cosmetics (India) Limited




Hiitesh Topiwaala
Managing Director
DIN: 01603345
Vishwajeet N Mehta
Director
DIN: 02800993

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not Applicable to the Company during the Audit Period;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not Applicable to the Company during the Audit Period.**

(i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws applicable specifically to the Company namely:

- (a) The Drugs & Cosmetics Act, 1940 and Rules made thereunder
- (o) The Bureau of Indian Standards Act, 2016 and rules made thereunder
- (p) Information Technology Act, 2000 and the rules made thereunder

(vii) Based on the representation made by the Company and its officers, the Company has proper system and process in place for compliance under the other applicable Labour Laws and other incidental laws, Acts, Rules, Regulations and Guidelines.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

- (i) *The Company requires re-constitution of the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Share Transfer Committee, with appointment of a Candidature for the post of Director in all such committees from February 11, 2020 on account of Resignation of Mr. Mukesh Kumar Tyagi.*

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

It is observed that as per Section 203 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, necessitated that every listed company has to mandatorily have a Company Secretary in whole time employment. During the Year under review, Mr. Hansraj Rathor, Company Secretary has resigned as on May 15, 2019. The Position of Company Secretary was vacated from May 15, 2019 to June 06, 2019 thereafter company has appointed MS. Pooja Agrawal as a Company Secretary on June 07, 2019. Ms. Pooja Agrawal has resigned as on January 10, 2020. The Position of Company Secretary was vacated from January 11, 2020 to August 16, 2020. Mr. Santosh Shah has appointed as a Company Secretary on August 17, 2020.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

I further report that during the audit period, there was no event/action having a major bearing on company's affair in pursuance of the above – referred laws, rules, regulations, guidelines, standards, etc;

For K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: September 11, 2020

Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468
UDIN: A033400B000872964

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

Annexure - I

The Members,
PARAMOUNT COSMETICS (INDIA) LIMITED
CIN: L24240GJ1985PLC008282
A-1/2211 III PHASE, G I D C
VAPI – 396195,
Gujarat, India

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

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

For K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: September 11, 2020

Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468

**Form AOC-2
Annexure – II**

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

Particulars of disclosure of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto, if any, are mentioned hereunder and may be referred in notes to financial statements.

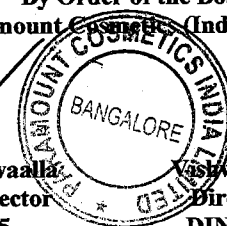
Sl. No.	Details of contracts or arrangements or transactions not at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/ arrangements/ transactions	NIL
(c)	Duration of the contracts / arrangements/ transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	Date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	NIL

Sl. No.	Details of contracts or arrangements or transactions at arm's length basis	
(a)	Name(s) of the related party and nature of relationship	Paramount Kum Kum Private Limited
(b)	Nature of contracts/ arrangements/ transactions	Sales / Purchases
(c)	Duration of the contracts / arrangements/ transactions	Five Years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	At Negotiated price being lowest among
(e)	Date(s) of approval by the Board	12.11.2015
(f)	Amount paid as advances, if any	NIL

Place: Bangalore
Date: 23.11.2020

By Order of the Board
Paramount Cosmetics (India) Limited

Hitesh
Hitesh Topiwala
Managing Director
DIN: 01603345



Abhishek
Abhishek N Mehta
Director
DIN: 02800993

ANNEXURE – III

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

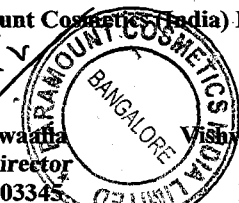
(A) Conservation of Energy	Description
<p>a) The steps taken or impact on conservation of energy</p> <p>b) The steps taken by the company for utilizing alternate sources of energy</p> <p>c) The capital investment on energy conservation equipment</p>	<p>Though the Company is engaged in manufacturing activities, but it does not consume high energy for production and therefore, it has very limited scope for energy conservation.</p> <p>The Company is conscious of energy saving and various initiatives have been taken by the Company to ensure that consumption of energy is at minimal levels in our operations, wherever feasible.</p> <p>NIL</p>
(B) Technology absorption	
<p>(a) The efforts made towards technology absorption .</p> <p>(b) The benefits derived like product improvement, cost reduction, product development or import substitution.</p> <p>(c) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-</p> <p>(a) The details of technology imported.</p> <p>(ii) The year of import.</p> <p>(iii) Whether the technology been fully absorbed.</p> <p>(iv) if not fully absorbed, areas where absorption has not taken place, and the reason thereof;</p> <p>(d) The expenditure incurred on Research and Development.</p>	<p align="center">Not Applicable</p>
(C) Foreign exchange earnings and Outgo	
Foreign Exchange earned in terms of actual inflows during the year	Rs. 17 Lacs
Foreign Exchange outgo during the year in terms of actual outflows	Rs. Nil

Place: Bangalore
Date: 23.11.2020

By Order of the Board
Paramount Cosmetics (India) Limited

Hitesh V.
Hitesh Topiwala
Managing Director
DIN: 01603345

Vishwajeet N Mehta
Vishwajeet N Mehta
Director
DIN: 02800993



**ANNEXURE IV
Form No. MGT - 9**

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L24240GJ1985PLC008282
ii.	Registration Date	20th November, 1985
iii.	Name of the Company	Paramount Cosmetics (India) Limited
iv.	Category/Sub-Category of the Company	Public Company / Limited by shares
v.	Address of the Registered Office and Contact Details	A-1/2211, III Phase, G.I.D.C., Vapi, Gujarat - 396 195
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	BgSE Financials Limited Stock Exchange Towers, No. 51, 1st Cross, J.C Road, Bangalore- 560 027; Ph: 080 4132 9661 Email: rta_admin@bfsi.co.in; manager_rta@bfsi.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

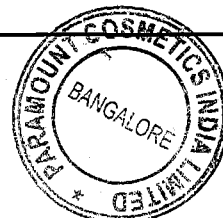
All the business activities contributing 10% or more of the total turnover of the company shall be stated:

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

There is no holding or subsidiary company however the details of associate company are provided hereunder

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Paramount Kum Kum Private Limited	U24246MH1983P TC029446	Associate	100% shares held by Promoters of the Company	2(6)
2	Paramount Personal Care Private Limited	U24200MH1982PTC 027855	Associate	100% shares held by Promoters of the Company	2(6)
3	Parcos Brands Communications Private Limited	U74900KA2011PTC 059674	Associate	100% shares held by Promoters of the Company	2(6)

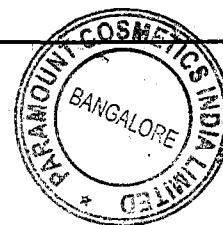


4	Parcos Brands Private Limited	U74999KA2011PTC 058751	Associate	100% shares held by Promoters of the Company	2(6)
5	Parcos Brands Investments Private Limited	U67190KA2011PTC 058649	Associate	100% shares held by Promoters of the Company	2(6)
6	Aiyon Innovations Private Limited	U74999KA2017PTC 109050	Associate	Majority shares held by Promoters of the Company & PCIL holding Minority Stake	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

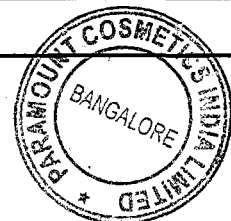
	Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the year				% Change during The year
		Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
A.	Promoter									
1)	Indian									
a)	Individual/HUF	2563230	2360	2565590	52.84	2563230	2360	2565590	52.84	Nil
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp	1065150	-	1065150	21.94	1065150	-	1065150	21.94	Nil
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(1):-	3628380	2360	3630740	74.78	3628380	2360	3630740	74.78	Nil
2)	Foreign									
g)	NRI-Individuals	-	-	-	-	-	-	-	-	-
h)	Other-Individuals	-	-	-	-	-	-	-	-	-
i)	Bodies Corp.	-	-	-	-	-	-	-	-	-
j)	Banks / FI	-	-	-	-	-	-	-	-	-
k)	Any Other....	-	-	-	-	-	-	-	-	-
	Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
	Total Promoter Share Holding									
	(A)=(A)(1)+ (A)(2)	3628380	2360	3630740	74.78	3628380	2360	3630740	74.78	Nil
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	0	1400	1400	0.028	0	1400	1400	0.028	Nil
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	-	-	-	-	-	-	-	-	-



h)	Foreign Venture	-	-	-	-	-	-	-	-	-
	Capital Funds									
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total(B)(1)	0	1400	1400	0.03	0	1400	1400	0.03	Nil
2.	Non Institutions									
a)	Bodies Corp.									
	(i) Indian	16473	5858	22331	0.46	16263	4858	21121	0.43	(0.03)
	(ii) Overseas									
b)	Individuals									
(i)	Individual Shareholders holding nominal share capital upto Rs. 2 lakhs	435197	501624	936821	19.30	431016	492932	923948	19.03	(0.27)
(ii)	Individual Shareholders holding nominal share capital in excess of Rs 2 lakhs	46378	0	46378	0.95	46379	0	46379	0.96	0.01
c)	Others (Specify)									
	Clearing Members/NRIs/OCBs/IEPF	215980	1350	217330	4.48	229961	1451	231412	4.77	0.29
	Sub-total(B)(2)	714028	508832	1222860	25.19	723619	499241	1222860	25.19	Nil
	Total Public Shareholding (B)=(B)(1)+(B)(2)	714028	510232	1224260	25.22	723619	500641	1224260	25.22	Nil
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total(A+B+C)	4342408	512592	4855000	100	4351999	503001	4855000	100	0

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% Change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged /	
1.	Mr. Hiitesh Topiiwaalla	2562990	52.79	NIL	2562990	52.79	NIL	0



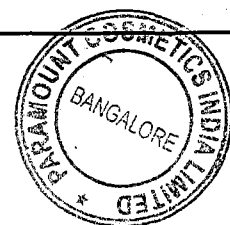
2.	Ms. AartiTopiwaala	2600	00.05	NIL	2600	00.05	NIL	0
3.	M/s Paramount KumKum Private Limited	1065150	21.94	NIL	1065150	21.94	NIL	0
	Total	3630740	74.78	NIL	3630740	74.78	NIL	0

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding of the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	At the beginning of the Year	3630740	74.78	-	-
2	Increase in the Shareholding	-	-	-	-
3	At the End of the year	3630740	74.78	-	-
4	Change in Shareholding during the year	NIL	NIL	-	-

IV. INDEBTEDNESS

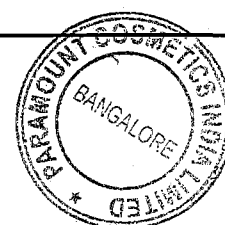
Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In Lakhs)					
Sl. No.	Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
1	Indebtedness at the beginning of the financial year				
(i)	Principal Amount	1460.08	265.59	0	1725.67
(ii)	Interest due but not paid				
(iii)	Interest accrued but not due				
	Total (i + ii + iii)	1460.08	265.59	-	1725.67



2	Change in Indebtedness during the financial year				
	Addition	0	0	0	
	Reduction	-210.42	-11.79	0	-222.21
	Net Change	-210.42	-11.79	0	-222.21
3	Indebtedness at the end of the financial year				
(i)	Principal Amount	1249.66	253.8	0	1503.46
(ii)	Interest due but not paid	0	0	0	0
(iii)	Interest accrued but not due	0	0	0	0
	Total (i + ii + iii)	1249.66	253.8	0	1503.46

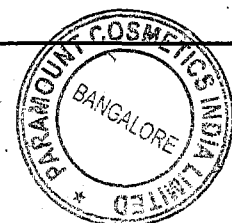
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
A	Remuneration of Managing Director, Whole-time Directors and/or Manager		(Rs. In Lakhs)
Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1	Gross Salary	Hiitesh Topiwaalla	
a	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	65.62	65.62
b	Value of perquisites u/s 17(2) Income-tax Act, 1961		0
c	(c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961		0
2	Stock Option		0
3	Sweat Equity		0
4	Commission- as % of profit others, specify		0
5	Others, Please specify		0
	Total (A)	65.62	65.62

*Note: The remuneration quoted is Gross Remuneration.



B	REMUNERATION TO OTHER DIRECTORS					(Rs. In Lakhs)
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Aartii Topiwala	V N Mehta	Shishir B Desai	Mukesh Kumar Tyagi (Resigned)	
1	Independent Directors					
a	Fee for attending Board / Committee Meetings	-	0.2	0.2	0.15	0.55
b	Commission	-	-	-	-	-
c	Others, Please specify	-	-	-	-	-
	Total (1)					0.55
2	Other Non Executive Directors					
a	Fee for attending Board / Committee Meetings	0.2	0	0	0	0.2
b	Commission	0	0	0	0	0
c	Others, Please specify	0	0	0	0	0
	Total (2)	0.2	0	0	0	0.2
	Total (B) = (1+2)	0.2	0	0	0	0.75
3	Total Managerial Remuneration*	0.75				
	Overall Ceiling as per the Act	NA				

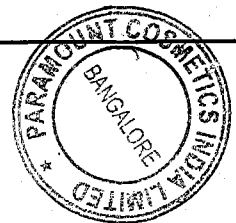
VI	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
C	Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Directors and/or Manager, and other Directors		
Sl. No.	Particulars of Remuneration	*Company Secretary	*Chief Financial Officer
		Pooja Agrawal (Resigned)	Pratyusha Katam (Resigned)
		(Rs. In Lakhs)	(Rs. In Lakhs)
1	Gross Salary		
a	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	7.82	4.85



b	Value of perquisites u/s 17(2) Income-tax Act,1961	0	0
c	(c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission- as % of profit others, specify	0	0
5	Others, Please specify - Telephone / Car / Fuel etc	0	0
	Total (A)	7.82	4.85

* The remuneration of CS & CFO during FY 2019-20 is disclosed as the report is for FY 2019-20 ended as on March 31, 2020. The KMP's are not currently associated with the Company.

Type	Particulars	Section of the Companies Act	Brief Description of fees imposed	Details of Penalty / Punishment / Compounding
A	Company			
a	Penalty	NA	NA	NA
b	Punishment	NA	NA	NA
c	Compounding	NA	NA	NA
B	Directors			
A	Penalty	NA	NA	NA
B	Punishment	NA	NA	NA
C	Compounding	NA	NA	NA
C	Others officers in default			
A	Penalty	NA	NA	NA

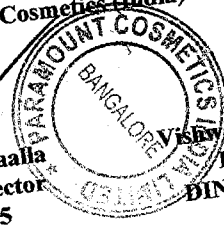


B	Punishment	NA	NA	NA
C	Compounding	NA	NA	NA

Place: Bangalore
Date: 23.11.2020

By Order of the Board
Paramount Cosmetics (India) Limited

Hiitesh
Hiitesh Topiwaalla
Managing Director
DIN: 01603345



Vishwajeet N Mehta
Vishwajeet N Mehta
Director
DIN: 02800993

MANAGEMENT DISCUSSION & ANALYSIS REPORT 2020

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

INDUSTRY OUTLOOK

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

Further, due to Covid-19 pandemic, there has been severe impact on the Beauty and Personal care industry. However, the Industry will overcome impact of these factors on the medium to long term and overall market is likely to be reversed in coming years.

DEVELOPMENTS IN THE COMPANY DURING THE CURRENT YEAR

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

FINANCIAL PERFORMANCE

1) Sales and Other Income

The Sales and other income of your Company for the year was Rs. 2421.76 lakhs as against Rs. 2190.92 lakhs in the previous year, showing an increment of 10.53% over the previous year.

2) Material Cost

The material cost for the year was Rs. 433.08 lakhs as against 397.80 lakhs in the previous year. The material cost is reduced by 8.87%

3) Employment Cost

The expenses pertaining to employment costs in FY 2019-20 was Rs.494.55 Lakhs as against Rs 530.05 lakhs in previous year. This is reduced by 6.7%.

4) Operational and Other Expenses

During the year under review, the operational and other expenses was Rs. 914.12 lakhs as against Rs.685.44 lakhs. The cost has increased by 33%.

5) Finance Cost

The interest and Finance charges paid has decreased to Rs. 225.22 lakhs in the current year as against Rs. 250.37 Lakhs in the previous year.

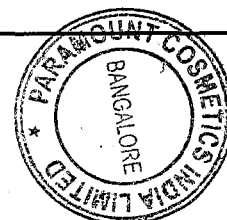
6) Depreciation

The depreciation for the year was Rs.124.37 Lakhs as against Rs. 142.55 lakhs in the previous year.

7) Profit Before Tax

Profit before tax (PBT) stood at Rs. 45.49 Lakhs as against Rs. 51.35 lakhs showing a decrease of 11.41%.

8) Profit/(Loss) After Tax



Loss after tax (PAT) was Rs. 11.77 Lakhs as against loss of Rs. 12.77 lakhs in the previous year,

OPPORTUNITIES

The BPC industry is categorized into five segments – body care, hair care, face care, hand care and colour cosmetics. Body care is the largest category and grew about 4 per cent CAGR while colour cosmetics were the fastest growing category at 12 per cent. The premium segment is expected to grow at 6.3 per cent per annum, compared to 1.1 per cent predicted for the mass market products. Consumer behaviors and spending patterns have shifted and continue to shift as incomes rise and Indian society evolves.

THREATS

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

Further, the impact of Covid-19 pandemic, which has resulted in people using face masks, less travel, lockdowns and restrictions on travel, may have some level of threat / impact on use of cosmetic products in the current scenario.

OUTLOOK

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

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS

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

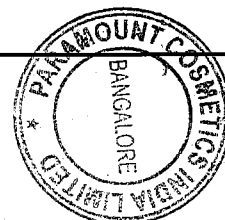
HUMAN RESOURCES

The Company had 113 employees on rolls as on 31st March 2020.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

During the year, following are the key financial ratios of the Company where there was a change of 25 % or more as compared to the immediate previous financial year

Ratios	FY 2019-20	F.Y. 2018-19	Change
Debtors Turnover Ratio	100 DAYS	53DAYS	Increase by 47DAYS



Interest Coverage Ratio	0.91	1.21	Y-o-Y improvement of 9%
FG Inventory Turnover Ratio	177 DAYS	212 DAYS	Decrease by 35 DAYS
Current Ratio	1.1	1.35	Change by 0.24
Debt-Equity Ratio	0.86	0.75	Y-o-Y improvement of 14.66%
Operating Profit Margin (%)	11.18%	20%	Decreased by 8.82%
Net Profit Margin before ind As (%)	-0.49%	-0.58%	

Change in Return on Net Worth

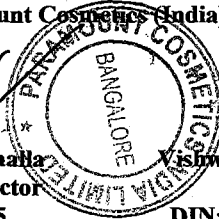
The details of change in Return on Net Worth of the Company as compared to the previous year is given below:

Ratios	FY 2019-20	F.Y. 2018-19
Return on Net Worth	-0.61	-0.65

Place: Bangalore
Date: 23-11-2020

By Order of the Board
Paramount Cosmetics (India) Limited

Hitesh
Hitesh Topirwaalia
Managing Director
DIN: 01603345



Vishwajeet N Mehta
Vishwajeet N Mehta
Director
DIN: 02800993

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE:

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

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

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

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

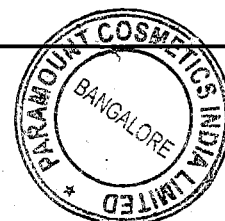
II. BOARD OF DIRECTORS

A. BOARD COMPOSITION

The composition of the Board as on 31st March, 2020 is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 (1) of The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, laying down an optimum combination of Executive and Non-Executive Directors with one woman Director, with not less than 50 per cent of the Board comprising of Non- Executive Directors.

As on March 31, 2020, Company's Board consists of 4 Directors. The details relating to the composition and categories of the Directors on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic Public Limited Companies during FY 2019-20 ended as on 31st March, 2020 are indicated below:

Name of Director	Category	Relationship with Other Director	Attendance Particulars			No. of Directorship in Domestic Public Companies**		No. of Committee membership in public companies***	
			No. of Board Meetings		Last AGM	As Chairman	As Director	As Chairman	As Director
			Held	Attended					
Mr. Hiitesh Topiwaalla	Promoter & Executive Director	Husband of Ms. Aartii Topiwaalla	7	7	Y	Nil	1	Nil	Nil
Ms. Aartii Topiwaalla	Promoter & Non-Executive Director	Wife of Mr. Hiitesh Topiwaalla	7	7	N	Nil	1	Nil	3



Mr. Vishwajeet N Mehta	Independent & Non-Executive Director	None	7	7	Y	Nil	1	3	-
Mr. Shishir B Desai	Independent & Non-Executive Director	None	7	7	N	Nil	2	0	Nil
Mr. Mukesh Kumar Tyagi (Resigned on February 11, 2020)	Independent & Non-Executive Director	None	6	5	N	Nil	1	0	3

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

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

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

A. INDEPENDENT DIRECTOR Board Independence

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

Meetings of Independent Directors

The Independent Directors met one time during the Financial Year ended 31st March, 2020 on 05th March 2020 and inter alia discussed:

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

Disclosures by Independent Directors

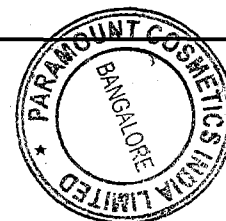
All the Independent Directors have made necessary disclosures under the Companies Act, 2013 and Listing Agreement.

B. FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

All Independent Directors are aware and further updated about their roles, rights, responsibilities in the Company.

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

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



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

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

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

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

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

D. BOARD MEETINGS

During the financial year 2019-20, the Board of Directors met Seven (7) times on the following dates:

- a) 07.05.2019
- b) 15.05.2019
- c) 07.06.2019
- d) 28.06.2019
- e) 14.08.2019
- f) 14.11.2019
- g) 12.02.2020

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

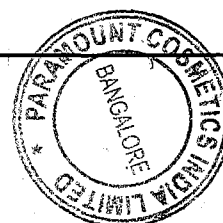
E. INFORMATION SUPPLIED TO THE BOARD

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

F. APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

In accordance with the applicable provisions of Companies Act, 2013 Mrs. Aartii Topiwaala (DIN – 03487105), a Director who retires by rotation and was appointed by members as Director at 34th Annual General Meeting and holds office until conclusion of ensuing 35th Annual General Meeting to be held in year 2020, and the Company having received a notice from the member of the Company under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, such candidature subject to approval by the members at the ensuing Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation.

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



G. CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct for Directors and Senior Management in respect of the Financial Year ended on 31st March, 2020.

III BOARD COMMITTEES

A. AUDIT COMMITTEE

Composition:

The composition of the Audit Committee for FY 2019-20 was as per the requirements of Section 177 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, except for the last quarter wherein due to resignation of one of the non-executive Independent Director, the Committee required minor re-constitution. The Company is in process of identifying suitable candidature to align the committee requirements composition as per SEBI LODR Regulations 2015. The members of the Audit Committee during FY 2019-20 comprised of following members:

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

Meetings:

During the Financial Year 2019-20, the Audit Committee met four times. The details of meeting and attendance are given on Page no. 41 of this Report. The time gap between any two meetings was less than four months.

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

The Committee, in its meeting held on 30th September 2020 reviewed the Annual Accounts for the period ended 31st March, 2020.

Terms of Reference:

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

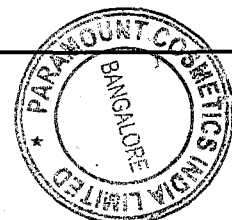
Powers of Audit Committee

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

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employee.
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

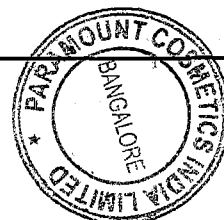
The role of the Audit Committee shall include the following:



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

B. NOMINATION AND REMUNERATION COMMITTEE

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



Composition:

The Nomination and Remuneration Committee of the Board comprises of the following directors as members for FY 2019-20:

	Name	Designation	Category
1	Mr. V.N. Mehta	Chairman	Independent Director
2	Mr. Mukesh Kumar Tyagi (Resigned in February 2020)	Member	Independent Director
3	Ms. Aartii Topiwaala	Member	Non-executive Non Independent Director (promoter director)

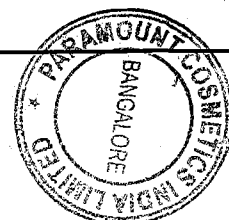
Terms of Reference:

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

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

Meeting Details

Four meetings of the Nomination and Remuneration Committee were held during the FY 2019-20. The details of meeting and attendance are given on Page no. 40 of this Report.



C. RISK MANAGEMENT COMMITTEE

Composition:

The Risk Management Committee of the Board comprises of the following directors as members for FY 2019-20:

Name	Designation	Category
Mr. Hiitesh Topiiwaalla	Chairman	Managing Director
Mr. V.N. Mehta	Member	Independent Director

Role and Responsibilities of the Committee includes the following:

- 1) Framing of Risk Management Plan and Policy.
- 2) Overseeing implementation of Risk Management Plan and Policy.
- 3) Monitoring of Risk Management Plan and Policy Validating the process of risk management.
- 4) Validating the procedure for Risk Minimisation.
- 5) Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- 6) Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- 7) Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

Meeting Details

One meeting of the Committee was held during the year and the details of meeting and attendance are given on Page no. 40 of this Report.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution

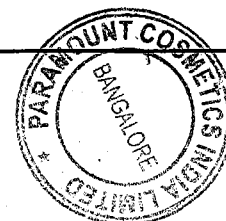
The Stakeholders Relationship Committee for FY 2019-20 constituted following members:

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

The Stakeholders Relationship Committee requires a minor re-composition with the requirements of The SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. The Company is in process of identifying suitable candidature to align the committee as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Terms of Reference

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



The Shareholders / Stakeholders' Relationship Committee met four times during the year and the details of meeting and attendance are given on Page no. 40 of this Report.

Compliance Officer

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

Complaints received / resolved

Investor Complaints status as on 31st March 2020:

Opening Balance	Received during the financial year	Resolved during the financial year	Closing Balance
0	0	0	0

Pending Share Transfers

No requests for Transfer and / or Dematerialisation were pending for redressal as on 31st March, 2020.

E. SHARE TRANSFER COMMITTEE

The Share Transfer Committee is formed as per the requirement of relevant rules exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee comprises three Directors of the Board namely Mr. Hiitesh Topiiwaalla, Ms. Aartii Topiwaala and Mr. V.N. Mehta. The Committee inter alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. The Committee is authorised to sign on consolidation, splitting or in lieu of share certificates lost, defaced or destroyed.

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

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

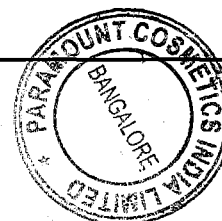
Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee	Share Transfer Committee	Risk Management Committee
Meetings Held	4	4	4	10	1
Name of the Directors					
Mr. Hiitesh Topiiwaalla	-	-	-	10	1
Ms. Aartii Topiwaala	4	4	4	10	-
Mr. V.N. Mehta	4	4	4	10	1
Mr. Shishir B Desai	-	-	-	-	-
Mr. Mukesh Kumar Tyagi	3	4	3	-	-

IV. POLICIES

A. CODE OF CONDUCT

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

The Company has adopted this Code of Conduct and Ethics as a testimony of its commitment to adhere to the standards of loyalty, honesty, integrity and the avoidance of conflicts of interest. The rules and principles set forth in this code are general in nature and the compliance with the code shall be ensured read with other



applicable policies and procedures of the company. The Directors, Managers, Officers and Associates may contact the Head-HR or the Compliance Officer for assistance in interpreting the requirements of this code.

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

- a) Compliance with Laws, rules & regulations
- b) Conflict of Interest
- c) Reporting standards
- d) Competition and fair dealing
- e) Whistle blower policy
- f) Policy against retaliation
- g) Compliance with code
- h) Independent Directors – Roles and Responsibilities

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

B. RISK MANAGEMENT POLICY

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

The Risk Management Policy was reviewed and approved by the Committee. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together governs how the Company conducts the business and manages associated risks. The Company has introduced several improvements to Risk Management, Internal Controls Management and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

C. POLICY FOR SELECTION OF DIRECTORS AND PERFORMANCE EVALUATION

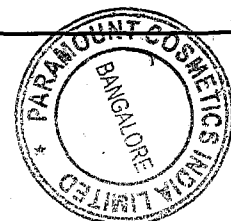
The Nomination and Remuneration Committee of the Company approved an Evaluation Policy during the year, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors. The Policy provides that evaluation of the performance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

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

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

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

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



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

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

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

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

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

E. WHISTLE BLOWER

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

All Directors, Managers, Officers, and Associates of the Company are responsible to report in good faith, questionable accounting/auditing matters, and internal accounting controls, financial reporting (Accounting Complaints), any violations, fraudulent/unethical practices, misconduct or such other genuine concerns, which are against the interests of the Company. It is the policy of the Company to treat such complaints seriously and expeditiously.

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

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

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

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

F. POLICY ON RELATED PARTY TRANSACTIONS

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

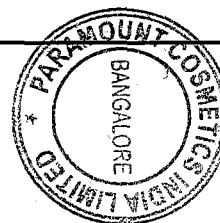
This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review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

V. REMUNERATION OF DIRECTORS

Details of Remuneration

The Company has not paid any remuneration to any of its Non-Executive Directors, except the Sitting Fees for attending meetings of the Board for which Rs. 5000/- (Rupees Five Thousand only) per meeting was paid. The aggregate amount of sitting fees paid during the financial year was Rs. 0.75 Lakhs.

Further, the remuneration paid/payable to Mr. Hiitesh Topiiwaalla, Managing Director of the Company for the financial year ended 31.03.2020 are as follows:



Particular	Amount (Rupees in Lakhs)
Basic Salary	57.42
Allowances & Perquisites	-
Commission	-
Total	57.42

Note: The above is net remuneration for FY 2019-20.

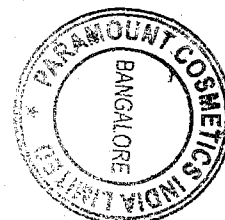
VI. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

VII. SHAREHOLDING OF DIRECTORS

Details of the share of the Company held by Non-Executive Directors as on March 31, 2020:

Sl. No.	Name of Directors	No. of Equity Shares held	% of Total Paid-up Equity Capital
1	Mr. V.N. Mehta	169	0.0035%
2	Mr. Shishir B Desai	Nil	Nil
3	Ms. Aartii Topiwaala	2,600	0.0535%
4	Mr. Mukesh Kumar Tyagi	Nil	Nil





PARAMOUNT

Rising beyond imagination

VIII

PARAMOUNT COSMETICS (INDIA) LIMITED ("COMPANY")

COMPLIANCE CERTIFICATE

(Regulation 17(8) of SEBI LODR Regulations, 2015)

We, Mr. Hiitesh Topiiwaalla, Managing Director and Mr. Rajnish Matta, the Chief Financial Officer of the Company certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2020 and to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Indian accounting standards, applicable laws and regulations.

B. To the best of their knowledge and belief, no transactions entered into by the Company during the year ended March 31st, 2020, which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting, and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.


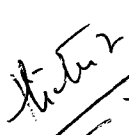

D. We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Paramount Cosmetics (India) Limited




Hiitesh Topiiwaalla Rajnish Matta
Managing Director Chief Financial Officer
Date: 30.09.2020 Date: 30.09.2020





18

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PARAMOUNT COSMETICS (INDIA) LIMITED
CIN: L24240GJ1985PLC008282
A-1/2211 III PHASE, G I D C
VAPI - 396195,
Gujarat, India

We have examined the compliance of the conditions of Corporate Governance of PARAMOUNT COSMETICS (INDIA) LIMITED ('the Company') under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the year ended on March 31, 2020.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with part E of Schedule II of the SEBI Listing Regulations.

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

For K. P. Ghelani & Associates
Company Secretaries

Date: November 04, 2020
Place: Rajkot



CS Keyur Ghelani
Proprietor
Mem. No. 33400
C.P. No. 12468
UDIN: A033400B001158711

X. GENERAL BODY MEETING

The details of the Annual General Meetings held during last three year immediately before March 31, 2020 is given in Table below:

Year	Date	Venue	Time	No. of Special Resolutions Passed at AGM
2018-19	September 30, 2019	A-1/2211, III Phase, GIDC, Vapi 396195	11.00 am	04
2017-18	September 28, 2018	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195	11.00 a.m.	Nil
2016-17	September 29, 2017	VIA Hall, Vapi Industrial Association, Plot No. 135, VIA House, GIDC, Vapi – 396 195	11.00 a.m.	Nil

POSTAL BALLOT

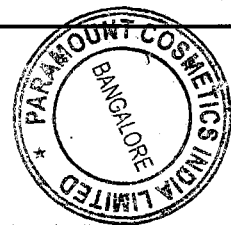
During the year, the Company has not passed any Special Resolution through Postal Ballot. At present, there is no proposal for passing resolution through Postal Ballot.

XI. DISCLOSURES

- (i) **Related Party Transactions:** During the year 2019-20, besides the transactions reported in Notes to the financial statement in the Annual Report on related party transactions, there are no materially significant related party transactions with the Directors or Management or their relatives which have potential conflict with the interest of the Company at large.
- (ii) **Details of Non-Compliance by the Company:** The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. In case of any delays in submissions by the Companies, the relevant reasons for the delays as such is communicated accordingly.
- (iii) **Whistle Blower Policy:** The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No personnel have been denied access to the Chairman of the Audit Committee.
- (iv) **Disclosure by Senior Management:** Senior Management has made disclosure to the Board relating to material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- (v) **Secretarial Audit:** Pursuant to Clause 47(c) of the Listing Agreement, Certificates on half-yearly basis, have been issued by a Company Secretary in practice, for due compliance of share transfer formalities by the Company.

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

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



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

Dividend Year	Type of Dividend	Rate of Dividend	Date of declaration	Due date for Transfer to IEPF	As on March 31, 2020
2012-13	Final Dividend	6%	30/09/2013	30-11-2020	29,13,000/-
2013-14	Final Dividend	6%	30/09/2014	30-11-2021	29,13,000/-
2014-15	Final Dividend	6%	30/09/2015	30-11-2022	29,13,000/-
2015-16	Final Dividend	5%	30/09/2016	30-11-2023	24,27,500/-

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

XII. MEANS OF COMMUNICATION

Quarterly Results: Publication of Results in the Newspaper

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

XIII. GENERAL SHAREHOLDER INFORMATION

AGM	PARTICULARS
Date	December 18, 2020
Time	2:30 p.m.
Venue	AGM will be held virtually through VC /OAVM due to Covid-19 pandemic.

2. **FINANCIAL YEAR:** 01st April, 2019 to 31st March, 2020

3. **DATE OF BOOK CLOSURE:**

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, December 11, 2020 to Friday, December 18, 2020 (both days inclusive).

4. **LISTING ON STOCK EXCHANGE:**

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

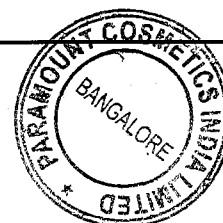
Listing & Address of Stock Exchange	Scrip Name	Scrip Code / Scrip ID
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy, Towers, Dalal Street, Mumbai - 400 001	PARAMOUNT CO	507970 / PARMCOS-B

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

5. **MARKET PRICE DATA:**

High and Low prices during each month of Financial Year 2019-20 on Bombay Stock Exchange Limited are as under:

Month	High Price	Low Price	Close Price	Volume (No. of Shares)
Apr-19	19.00	16.30	17.05	1,540
May-19				



	17.30	16.15	16.65	1,454
Jun-19	16.15	14.40	14.40	624
Jul-19	15.12	13.10	14.00	1,268
Aug-19	3.96	12.50	13.10	1,361
Sep-19	13.02	11.78	12.50	2,034
Oct-19	12.50	11.40	11.40	80
Nov-19	10.83	9.80	10.81	1,608
Dec-19	13.09	11.33	12.00	678
Jan-20	13.18	11.40	13.18	828
Feb-20	14.53	12.47	12.47	1,354
March-20	13.09	11.82	11.82	2,800

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

6. **REGISTRAR AND SHARE TRANSFER AGENTS:**

BgSE Financials Limited

Stock Exchange Towers No. 51, 1st Cross, J.C Road, Bangalore-560027 Ph: 080 41329661; Email: rta_admin@bfsl.co.in; manager_rta@bfsl.co.in cs rta@bfsl.co.in;

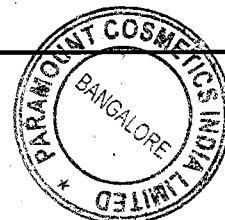
7. **SHARE TRANSFER SYSTEM:**

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

The Company has appointed M/s. BgSE Financials Limited as Share Transfer Agents and all work relating to share transfers is executed by them. Requests from Shareholders holding shares in Physical form, received by the Company and Share Transfer Agents are processed by Registrar and Transfer Agents and subject to all documents being in order are put up for approval to the Share Transfer Committee.

8. **DISTRIBUTION OF SHAREHOLDING AS ON 31STMARCH, 2020:**

Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
01-500	5210	95.93	686507	14.14
501-1000	135	2.49	97925	2.02
1001-2000	49	0.90	69776	1.44
2001-3000	16	0.29	40107	0.83
3001-4000	8	0.15	27824	0.57
4001-5000	2	0.04	8686	0.18
5001-10000	4	0.07	24293	0.50



10001-50000	3	0.06	58879	1.21
50001 and above	4	0.07	3841003	79.11
Total	5431	100.00	4855000	100.00

Shareholding Pattern as on 31st March, 2020

Category	No. Of Shares Held	Percentage of Shareholding
Promoter & Promotor Group	36,30,740	74.78
Financial Institutions / Banks	1400	00.03
Bodies Corporate	21,121	00.44
Mutual Funds and Unit Trust of India	0	00.00
Others	12,01,739	24.75
Total	48,55,000	100.00

9. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2020:

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

4351999 Ordinary Shares of the Company representing 89.64% of the Company's share capital is dematerialized as on 31st March, 2020.

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

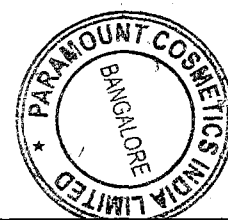
Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: **Not Applicable**

10. PLANT LOCATION:

Vapi	A-1/2211, III Phase, G.I.D.C. Vapi – 396 195 Dist :Valsad (Gujarat)
Daman	168/244 & 168/245, Dabhel Industrial Society Limited, Dabhel, Daman - 396210
Shoolgiri	Survey No. 124/3B, Chennapalli Village, Shoolagiri, Hosur, Taluk, Krishnagiri – 635117, Tamilnadu
Bangalore	Corporate Office at 902-904, 9 th Floor, Prestige Meridian – 1, No. 29, M.G. Road, Bangalore – 560 001 Phone: +91 080-2532 0870 / 71; Email: compliance.officer@parammount.com ; Website: www.parammount.com

Investors Relation Centers

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



11. NON MANDATORY REQUIREMENTS

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

S. No.	Non-Mandatory Provisions	Status
1.	The Board: Maintenance of Non-Executive Chairman's Office	Not Applicable
2.	Shareholders' rights: Half-yearly financial performance and summary of significant events may be sent to each household of Shareholders	The half-yearly financial results are published in widely circulating national and local dailies at the place of the registered office of the Company.
3.	Audit qualifications: The Company may move towards the regime of unqualified financial statements	The Company has NIL qualification in F.Y. 2019-20
4.	Separate Posts of Chairman and CEO: The Company may appoint separate person to the post of Chairman and Managing Director / CEO	Not Applicable
5.	Reporting of Internal Auditor: The Internal Auditor may report directly to the Audit Committee	The Internal Auditor reports directly to the Audit Committee

On behalf of the Board of Directors
For Paramount Cosmetics (India) Limited



Hitesh
Hitesh Topiwaalla
Managing Director
DIN: 01603345

Vishwajeet N Mehta
Vishwajeet N Mehta
Director
DIN: 02800993

Place: Bangalore
Date: 23-11-2020

PARAMOUNT COSMETICS (I) LTD

CIN: L24240GJ1985PLC008282

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

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

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

NOTE ON ATTENDANCE SLIP

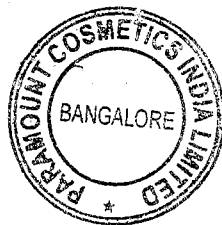
The Members may note that as the 35th Annual General Meeting of Paramount Cosmetics (India) Limited, to be scheduled on Friday, 18th Day of December 2020, through Video Conference (VC) / Other Audio Visual Modes (OVAM), hence, the attendance slip is not annexed to the Notice and in Annual Report.

NOTE ON PROXY FORM

The Members may note that as the 35th Annual General Meeting (AGM) of Paramount Cosmetics (India) Limited, is scheduled on Friday, 18th Day of December 2020, through Video Conference (VC) / Other Audio Visual Modes (OVAM) mode, hence, the members may not be able to appoint proxies on their behalf at the AGM. Hence, the proxy form is not annexed to the Notice & Annual Report.

ROUTE MAP OF VENUE OF AGM

The Members may note that as the 35th Annual General Meeting of Paramount Cosmetics (India) Limited, to be scheduled on Friday, the 18th Day of December 2020, is through Video Conference (VC) / Other Audio Visual Modes (OVAM) mode, hence, the Route Map of Venue of AGM is not being annexed to the Notice and in Annual Report.



Independent Auditor's Report
To the Members of PARAMOUNT COSMETICS (INDIA) LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of PARAMOUNT COSMETICS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2020 and its Loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Please refer Note No: 8 of the audited Standalone financial results, as regards the management's evaluation of COVID-19 pandemic impact on the future performance of the company.

Please refer Note 32 (h) of the Additional notes regarding inventory as at 31st March 2020. The Company has applied roll back procedures on Physical verification carried out after the year end to arrive at the physical status of the yearend inventory.

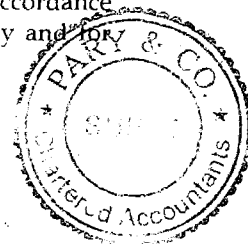
We have applied alternate audit procedures and have relied upon the system / procedures applied in arriving yearend inventory on hand by the management.

Our opinion is not modified in respect of these matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and



preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, 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 aforesaid standalone financial statements comply, in material respect, with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.



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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



for PARY & CO.
Chartered Accountants
Firm Reg. No. 007288C


RAKESH KUMAR JAIN
Partner

Membership No: 106109
UDIN: 20106109AAAAAE8514

Place: Surat

Date: 30-Sep-2020

Annexure 'A' - to the Independent Auditors Report

Referred to in our report of even date, to the members of PARAMOUNT COSMETICS (INDIA) LIMITED for the year ended March 31,2020

(i) In respect of its fixed assets:

- The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- As explained to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- The title deeds of immovable properties are held in the name of the company.

(ii) In respect of its inventory:

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy were noticed on physical verification of stocks by the management as compared to book records.

(iii) In Respect of Loans given by the Company

In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the reporting requirements under sub-clause (a), (b) and (c) of Clause (iii) of paragraph 3 of the order are not applicable.

(iv) Loan to director and investment by the company

In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.

(v) Deposits

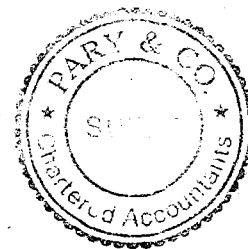
In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.

(vi) Cost Records

According to the information and explanations provided to us and as represented by the management, the maintenance of cost records have not been specified for the company by the Central Govt., under sub-section (1) of section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014 (as amended). Hence, the reporting requirements under clause(vi) of paragraph 3 of the order are not applicable.

(vii) Statutory Dues

- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is not regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.



- b) According to the information and explanations given to us, and the records of the Company examined by us, the following undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable:

Name of Statute	Nature of Dues	Forum where amount is pending	Amount unpaid (Rs. in Lakh)
Employee State Insurance Act 1948	ESIC Monthly Statutory Payment Dues	Employee State Insurance Corporation	9.49
Employees Provident Fund & Miscellaneous Provisions Act, 1952	EPF Monthly Statutory Payment Dues	Employer Provident Fund	18.03
PT Act 1987	PT Monthly Statutory Payment Dues	Professional Tax	2.20
Income Tax Act 1961	TDS Monthly Statutory Payment Dues	Income Tax Dept	47.11
Income Tax Act 1961	Income Tax Payment Due	Income Tax Dept	123.20

- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute except the following:

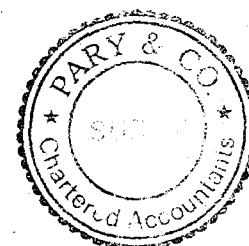
Name of Statute	Nature of Dues	Forum where dispute is pending	Date of Notice	Amount (Rs. in Lakh)
Employee State Insurance Act 1948	Contribution and Interest	Office of the Recovery Officer New Delhi	15-01-2020	2.37
Employee State Insurance Act 1948	Contribution and interest	ESIC Sub Regional Office Vapi	31-10-2019	0.46
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Contribution and Interest	Asst PF Commissioner Vapi	26-02-2020	0.14

(viii) **Repayment of Loan**

Based upon the audit procedures carried out by us and on the basis of information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to banks / Financial Institutions. The company has not issued any debentures and there are no outstanding dues to government during the year.

(ix) **Utilisation of IPO and further public offer:**

In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer or taken any term loan during the year.



(x) **Reporting of Fraud:**

Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) **Approval of managerial remuneration:**

According to the information and explanations given to us, the company has complied with the provisions of the Act with respect to approval and payment of managerial remuneration during the year.

(xii) **Nidhi Company:**

The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.

(xiii) **Related Party Transaction:**

According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 188 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) **Private Placement of Preferential Issues:**

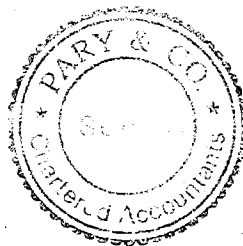
The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.

(xv) **Non-Cash Transaction**

According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) **Register under RBI Act 1934 :**

In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934.



for PARY & CO.
Chartered Accountants
Firm Reg. No. 007288C

Rakesh Kumar Jain
RAKESH KUMAR JAIN
Partner

Membership No: 106109
UDIN: 20106109AAAAAE8514

Place: Surat

Date: 30-Sep-2020

Annexure 'B'

Report on Internal Financial Controls Over Financial Reporting:

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

We have audited the internal financial controls over financial reporting of **PARAMOUNT COSMETICS (INDIA) LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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, safeguarding of its assets, prevention and detection of frauds and errors, 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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material 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 judgement, 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 authorisations 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 Assessment Year : 2020-21, 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 PARY & CO.
Chartered Accountants
Firm Reg. No. 007288C

A handwritten signature in black ink, appearing to read "Rakesh Kumar Jain".

RAKESH KUMAR JAIN
Partner

Membership No: 106109
UDIN: 20106109AAAAAE8514

Place: Surat
Date: 30-Sep-2020

PARAMOUNT COSMETICS (INDIA) LIMITED
 CIN No : L24240GJ1985PLC008282
 Registered Office : 2211 / A-1, IIrd Phase, G I D C, Vapi, Gujarat - 396195
 Balance Sheet as at March 31, 2020

		(Amount in Lakhs)		
Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
I	ASSETS			
	Non-Current Assets			
	Property, plant & Equipment	4	818.59	939.41
	Capital Work in Progress		-	6.84
	Other Intangible Assets		1,004.71	1,000.92
	Financial Assets			
	- Investments	5	0.43	0.43
	Deferred tax assets (net)	6	47.21	42.77
	Other Non-Current Assets	7	599.98	607.90
	Current Assets			
	Inventories	8	1,571.92	1,744.33
	Trade receivables	9	665.38	319.13
	Cash and Cash Equivalents	10	35.91	25.25
	Bank Balances other than above	11	50.92	49.65
	Current Loans and Advances	12	85.58	43.89
	Other Current Assets	13	41.85	39.65
	TOTAL ASSETS		4,922.48	4,820.17
II	EQUITY AND LIABILITIES			
	Equity			
	-Equity share capital	14	485.50	485.50
	-Other Equity	15	1,451.19	1,462.96
	LIABILITIES			
	Non-current Liabilities			
	Financial Liabilities			
	-Non-Current Borrowings	16	566.71	715.42
	-Non-Current Provisions	17	74.95	67.78
	-Other Non-current liabilities	18	98.32	22.00
	Current Liabilities			
	Financial Liabilities			
	-Current Borrowings	19	1,094.26	1,135.91
	-Trade Payables	20	261.82	345.06
	-Other Financial liabilities	21	181.83	246.28
	Other current Liabilities	22	564.90	272.82
	Provisions	23	20.30	15.59
	Current Tax Liabilities (Net)	24	122.70	50.85
	TOTAL - LIABILITIES		4,922.48	4,820.17

for and on behalf of the Board
PARAMOUNT COSMETICS (INDIA) LIMITED

As per our report of even date
 for **PARY & CO.,**

Hitesh
Hitesh Topiiwaalla Director
 (DIN 01603345)
Rajnish
Rajnish Matta Chief Financial Officer
 Place : Bangalore
 Date : 30-Sep-2020

Vishwajeet N Menta
Vishwajeet N Menta Director
 (DIN 02800993)
Santosh
Santosh Shah Company Secretary



Chartered Accountants
 Firm Reg. No. 007286C
Rakesh Kumar Jain
RAKESH KUMAR JAIN Partner
 Membership No : 106109
 UDIN: 20106109AAAAAE8514
 Place : Surat
 Date: 30 Sep 2020

PARAMOUNT COSMETICS (INDIA) LIMITED

CIN No : L24240GJ1985PLC008282

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

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Lakhs)

Particulars		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	25	2,417.95	2,186.29
II	Other Income	26	3.80	4.62
III	Total Revenue (I +II)		2,421.76	2,190.91
IV	Expenses:			
	Cost of Raw Material Consumed	27	433.08	397.80
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	184.62	133.35
	Employee benefits expense	29	494.55	530.05
	Finance costs	30	225.22	250.37
	Depreciation and amortization expense	4	124.67	142.53
	Other expenses	31	914.11	685.46
	Total Expenses		2,376.26	2,139.56
V	Profit before exceptional and extraordinary items and tax (III - IV)		45.49	51.35
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		45.49	51.35
VIII	Extraordinary items		-	-
IX	Profit before tax (VII - VIII)		45.49	51.35
X	Tax expense:			
(1)	Current tax		14.97	64.44
	Taxes for earlier years		46.74	-
	Less: MAT credit entitlement		-	-
	Net Current tax		61.70	64.44
(2)	Deferred tax	6	-4.44	(0.32)
XI	Profit/(Loss) for the period		(11.77)	(12.77)
XII	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss	32	4.34	16.61
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(4.28)
B	Items that will be reclassified to profit or loss	32	-	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
	Total - Other comprehensive income (VIII)		4.34	12.33
XIII	Total comprehensive income for the year [(XI)+(XII)]		(7.43)	(0.44)
XIV	Earning per equity share of Rs 10 each			
(1)	Basic		(0.24)	(0.26)
(2)	Diluted		(0.24)	(0.26)

for and on behalf of the Board
PARAMOUNT COSMETICS (INDIA) LIMITED

Hiitesh
Hiitesh Topiwaalla
Director
(DIN 02803345)

Vishwajeet N Mehta
Vishwajeet N Mehta
Director
(DIN 02800993)

Santosh Shah
Santosh Shah
Company Secretary

Rajesh
Rajesh Mittal
Chief Financial Officer

Place : Bangalore Date: 30-Sep-2020



As per our report of even date
for PARY & CO.,
Chartered Accountants
Firm Reg. No. 007288C

Rakesh Kumar Jain
RAKESH KUMAR JAIN
Partner
Membership No : 106109
UDIN: 20106109AAAAAE8514

Place : Surat Date: 30-Sep-2020

PARAMOUNT COSMETICS (INDIA) LIMITED
 CIN No : L24240GJ1985PI C008282
 Registered Office : 2211 / A-3, IIIrd Phase, G I D C, Vapi, Gujarat - 396195
 Cash Flow Statement for the year ended March 31, 2020

(Amount in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from operating activities		
Profit/(Loss) after tax	(11.77)	51.35
Adjustments for non-cash items:		
Depreciation / Amortization	124.67	142.55
Interest Expenses	225.22	250.37
Interest Income	(2.29)	(2.75)
Provision for Income Tax	57.27	-
Operating Profit before working capital changes	393.10	441.52
Movements in working Capital:		
(Decrease) / Increase in Trade Payables	(83.24)	186.61
(Decrease) / Increase / Liabilities and provisions	-	45.66
(Decrease) / Increase Other Financial liabilities	(64.45)	-
(Decrease) / Increase in other current liabilities	292.08	-
(Decrease) / Increase in short-term provisions	4.71	-
(Decrease) / Increase in Non-Current Provisions	7.16	-
(Decrease) / Increase in Other Non-current liabilities	76.32	-
(Decrease) / Increase in Current Tax Liability	10.14	-
Decrease / (Increase) in Other Non-current assets	7.93	60.63
Decrease / (Increase) in inventories	172.41	(25.45)
Decrease / (Increase) in trade receivables	(346.26)	(305.16)
Decrease / (Increase) in Other Bank balances	(1.27)	14.08
Decrease / (Increase) in Current Loans and Advances	(41.69)	-
Decrease / (Increase) in Other current assets	(2.19)	32.94
Cash generated from / (used in) Operations	424.76	450.83
Direct Taxes Paid (Net of Refunds)	-	9.55
Net cash flow from / (used in) operating activities(A)	424.76	441.28
Cash Flow from investing activities		
Purchase of Fixed Assets	(7.64)	(23.30)
Sale of Fixed Assets	6.84	-
Interest Income	2.29	2.75
Net cash flow from / (used in) investing activities (B)	1.49	(20.55)
Cash Flows from financing activities		
Increase (Decrease) in Long Term Borrowings	(148.71)	32.19
Increase (Decrease) in Working Capital Borrowings	(41.65)	(25.24)
Restatement of compound financial instrument	-	(202.05)
Interest Expense	(225.22)	(250.37)
Net cash flow from / (used in) financing activities (C)	(415.58)	(445.46)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	10.66	(24.73)
Cash and cash equivalents at the beginning of the year	25.25	49.98
Cash and Cash Equivalents at the end of the year	35.91	25.25
Components of Cash and Cash Equivalents		
Cash on Hand	34.87	24.60
With Banks	1.04	0.65
Total Cash and Cash Equivalents	35.91	25.25

for and on behalf of the Board
 PARAMOUNT COSMETICS (INDIA) LIMITED

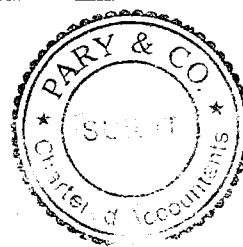
Hiitesh
 Hiitesh Topiwala
 Director
 (DIN 01603745)

Vishwajeet N Mehta
 Vishwajeet N Mehta
 Director
 (DIN 02800993)

Rajesh Mitta
 Rajesh Mitta
 Chief Financial Officer

Santosh Shah
 Santosh Shah
 Company Secretary

Place : Bangalore Date: 30-Sep-2020



As per our report of even date
 for PARY & CO.,
 Chartered Accountants
 Firm Reg. No. 007288C
Rakesh Kumar Jain
 RAKESH KUMAR JAIN
 Partner
 Membership No : 106109
 UDIN: 20106109AAAAAE8514

Place : Surat Date: 30-Sep-2020

PARAMOUNT COSMETICS (INDIA) LIMITED
Notes forming part of the financial statements
(All amounts in Indian Rupees, unless otherwise stated)

1 Corporate information

Paramount Cosmetics India Limited (the "Company") is a public limited company incorporated and domiciled in India. The equity shares of the company are listed on the Bombay Stock Exchange (BSE). The Company's registered office is situated at A-1/2211, III Phase, GIDC, Vapi, Gujarat-396 195.

The Company is engaged into manufacture of cosmetics like Bindi, Kumkum, Kajal, and other products. The Company has manufacturing facilities in Schoolagiri, Tamilnadu and sells primarily in India.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on September 30, 2020.

2 Basis of Preparation and Measurement

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

2.2 Basis of preparation

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

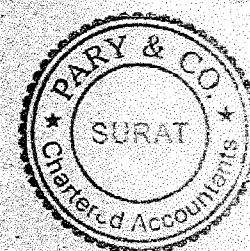
The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.4 Key Accounting Estimates And Judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.



Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

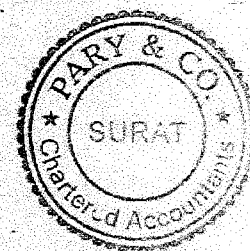
2.5 Recent Accounting Developments

Standards issued but not yet effective:

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1st April 2019. The requirements of the said new IND AS and amendments to the existing IND ASs notified by the MCA, which are effective from 1st April 2019 and effect thereof on the Company's financial statements are discussed below:

IND AS 116: Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.



The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization charge for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

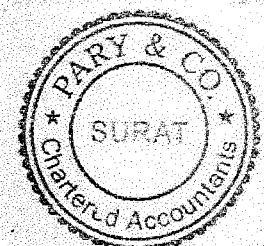
As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

There are no leases other than short-term leases and leases of low value assets. Therefore, the Company is not required to recognise a right-of-use asset / lease liability

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.



The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 - Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures

Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements

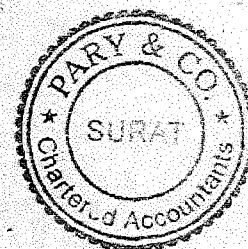
The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

3 Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

3.1 Property, Plant and Equipment:

Property, plant and equipment are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than freehold land) and impairment loss, if any.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the written-down-value method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

3.2 Intangible Assets

Intangible assets purchased are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. The Company has only one class of finite-life intangible asset, viz., *Computer Software whose estimated useful life is 3 years*. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

3.3 Impairment of Non-financial assets - Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

3.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.



3.5 Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Interest income is recognized using the effective interest rate (EIR) method.

Dividend income on investments is recognised when the right to receive dividend is established.

3.6 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised into cost of material consumed, employee benefits expenses, finance cost, depreciation and amortisation and other expenses.

Cost of material consumed comprises of PVC sheets, realize paper, packing materials etc.

Employee benefits expenses includes salaries, wages, bonus, incentives and allowances, directors' remuneration, contributions to provident and other funds and staff welfare expenses.

Other expenses are further bifurcated into -

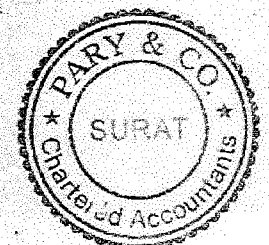
Manufacturing expenses comprising of cost of stores & spares, contracted labour, power & fuel and repairs,

Selling & distribution expenses comprising of sales promotion and advertising expenses, CFA Expenses, Carriage outward, commission on sales and tour, travel and conveyance and lodging and boarding of sales and marketing team.

Establishment Expenses mainly include legal and professional fees to external consultants, facility expenses, travel expenses, insurance costs, auditors' remuneration, communication expenses, bad debts and advances written off, allowances for doubtful trade receivables and advances (net) and miscellaneous expenses. Miscellaneous expenses is an aggregation of costs which are individually not material such as, packing, water and fuel charges etc.

3.7 Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.



Current income taxes

Current income tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years.

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 and where there is an intention to settle the asset and the liability on a net basis.

Deferred income taxes

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

3.8 Leases

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

3.9 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

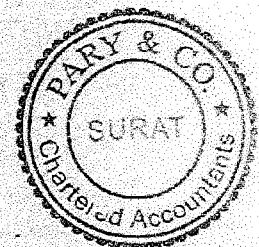
Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

3.10 Foreign Currencies

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit & loss.

3.11 Government Grant



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

3.12 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.13 Cash flow statement

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

3.14 Earnings Per Share

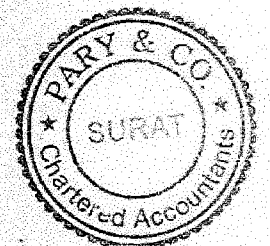
Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.15 Employee Benefits

Defined contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.



Defined benefit plans

The Company provides for retirement/post-retirement benefits in the form of gratuity, and compensated absences, in respect of certain employees. All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

For defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

3.16 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

A. Financial Assets

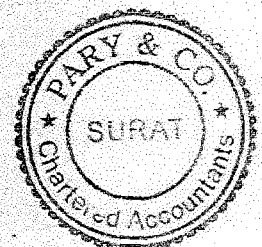
On initial recognition, a financial asset is recognised at fair value. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at - Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset. Financial assets are subsequently classified and measured at

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets.

[a] Cash and cash equivalents

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.



[b] Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

[c] Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

[i] Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

[ii] Measured at fair value through other comprehensive income (FVOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

[iii] Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

[d] Equity Instruments:

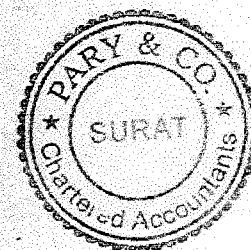
All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument by-instrument basis. Fair value changes on an equity instrument is recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Impairment of Financial Asset

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)



iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

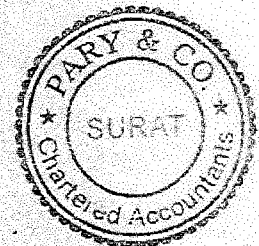
ECL allowance recognised (or reversed) during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

B. Financial Liabilities

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.



Note: 4: NON-CURRENT ASSETS

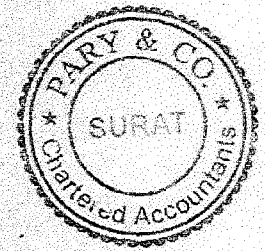
Sr.	Particulars	Gross Block				Depreciation Block					Net Block	
		Cost as on April 1, 2019	Addition	Deletion	Total Cost as on March 31, 2020	Balance as on April 1, 2019	Depreciation for the Year	Reversal of Depreciation	Transfer to Reserves	Balance as on March 31, 2020	As at March 31, 2020	As at March 31, 2019
	Tangible assets, owned											
1	Land	79.50	-	-	79.50	-	-	-	-	-	79.50	79.50
2	Building	683.49	-	-	683.49	173.86	48.41	-	-	222.28	461.21	509.63
3	Plant and Equip.	452.20	-	-	452.20	201.94	45.30	-	-	247.24	204.96	250.26
4	Furniture & Fix.	108.84	-	-	108.84	63.76	11.15	-	-	76.92	31.93	43.08
5	Vehicles	26.85	-	-	26.85	15.90	3.42	-	-	19.32	7.53	10.95
6	Office Equipment	11.05	0.07	-	11.12	8.64	1.12	-	-	9.76	1.36	2.41
7	Electric Instal.	73.46	-	-	73.46	43.58	7.74	-	-	51.31	22.14	29.88
8	Computer Equip.	10.24	0.73	-	10.97	6.09	2.76	-	-	8.85	2.13	4.15
9	Factory Equip.	2.65	-	-	2.65	1.42	0.22	-	-	1.64	1.00	1.23
10	Moulds	15.08	-	-	15.08	7.52	1.37	-	-	8.89	6.19	7.56
11	R & D Equipments	1.56	-	-	1.56	0.78	0.14	-	-	0.92	0.64	0.78
	Total (A)	1,464.92	0.80	-	1,465.72	525.51	121.62	-	-	647.13	818.59	939.41
	Intangible assets, owned											
1	Computer software	3.83	6.84	-	10.66	2.91	3.05	-	-	5.96	4.71	0.92
2	Copyrights, patents and other IPR	1,000.00	-	-	1,000.00	-	-	-	-	-	1,000.00	1,000.00
	Total (B)	1,003.83	6.84	-	1,010.66	2.91	3.05	-	-	5.96	1,004.71	1,000.92
1	Capital Work in Progress	6.84	-	6.84	-	-	-	-	-	-	-	6.84
	Current Year (A+B+C)	2,475.59	7.64	6.84	2,476.39	528.41	124.67	-	-	653.09	1,823.30	1,947.17
	Previous Year	2,468.32	23.30	16.02	2,475.60	385.84	142.53	-	-	528.37	1,947.17	2,082.48

Note: 5

(Amount in Lakhs)

Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Trade Investment		
Investment in Equity Instruments	0.19	0.19
Investment in government or trust securities	0.24	0.24
Total Investments	0.43	0.43



Note: 6

Deferred Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Related to Disallowances u/s 43B & 40A(7) of Income Tax Act. 1961	10.71	18.01
Related to Property, Plant & Equipments	26.14	24.76
Related to Provision for Doubtful debts	10.35	-
Total Deferred Taxes	47.21	42.77

Note: 7

Other Non-Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Considered Good		
Security Deposits with Related Parties	575.00	575.00
Security Deposits	10.13	16.77
VAT Credits including Sales Tax Deposits	-	16.13
Mat Credit Entitlement	14.85	-
Total Other non-current assets	599.98	607.90

Note: 8

Inventories

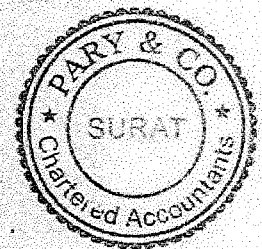
Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	279.75	264.56
Finished goods	1,084.49	1,267.50
Packing Material	207.68	210.88
Consumables	-	1.39
Total Inventories	1,571.92	1,744.33

Due to COVID-19 pandemic related lockdown in India as at March 31, 2020, the Company was not able to undertake year end physical verification of inventory and the same has been carried out by the management subsequent to the date of the balance sheet. Due to this lock down, the Auditors were also not able to participate in the physical verification of inventory. The company has consequently applied the roll back procedures to arrive at the physical status of year-end inventory for the purpose of finalization of accounts for the financial year 2019-20

Note: 9

Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables - Unsecured		
<u>Debts outstanding for a period exceeding six months</u> <u>(From the date they were due for payment)</u>		
- Considered good	481.18	-
<u>Other</u>		
- Considered good	258.71	393.63
- Considered doubtful	-	(0.01)
- Less: Provision for doubtful debts	74.50	74.49
Total Trade receivables	665.38	319.13



Note: 10**Cash and Cash Equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	34.87	24.60
Balances with banks-		
- In current account	1.04	0.65
Total Cash and bank balance	35.91	25.25

Note: 11**Other Bank Balances**

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposit with Banks LC Margin money	30.46	29.19
Other Fixed deposit with Banks	5.76	5.76
In unclaimed Dividend accounts	14.69	14.69
Total Other bank balances	50.92	49.65

Note: 12**Current Loans & Advances**

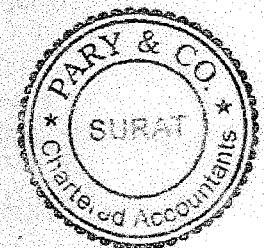
Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Considered Good		
Loans & Advances to Employees	42.28	20.79
Balance with Govt. Authorities	29.46	6.63
Advances given to Suppliers of Goods	3.50	15.81
Advances to Expenses Creditors	10.35	0.66
Total Current Loans & Advances	85.58	43.89

Note: 13**Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Advances other than Capital Advances		
Interest accrued on Fixed Deposit	14.18	12.13
Prepaid Expenses	19.79	22.99
Others	7.87	4.53
Total Other Current Assets	41.85	39.65

Note: 14**Share Capital**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount (Rs. In Lakh)	No. of Shares	Amount (Rs. In Lakh)
(a) Authorised Share Capital				
Equity shares of 10 each with voting rights	50,00,000	5,000.00	50,00,000	5,000.00
Total - Authorised Share Capital	50,00,000	5,000.00	50,00,000	5,000.00
(b) Issued, subscribed and paid-up share capital comprises:				
(i) Issued Share Capital				
Equity shares of 10 each with voting rights	4,88,71,500	4,887.15	4,88,71,500	4,887.15
(ii) Subscribed and Fully paid Share Capital				
Equity shares of 10 each with voting rights	48,55,000	485.50	48,55,000	485.50

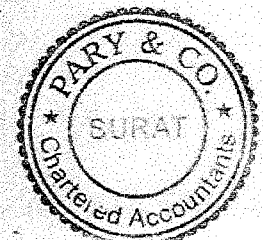


	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount (Rs. In Lakh)	No. of Shares	Amount (Rs. In Lakh)
(iii) Subscribed But Not Fully Paid				
Equity shares of 10 each with voting rights	1,650	0.17	1,650	0.17
Less:- Calls in arrear				
(c) Reconciliation statement of Shares				
Outstanding				
Opening Balance	4,88,71,500	4,887	4,88,71,500	4,887
Additions				
(a) Fresh Issue	-	-	-	-
(b) Bonus Share	-	-	-	-
(c) Right Share	-	-	-	-
Deletions	-	-	-	-
Closing	4,88,71,500	4,887	4,88,71,500	4,887
(d) The share capital of the company comprises solely of equity shares. The rights, privileges and restrictions on such shares are those as provided normally under the provisions of the Companies Act, 2013.				
(e) The company does not have any holding company. Hence, disclosure regarding number of shares held by the holding company, the ultimate holding company, their subsidiary and associates does not arise.				
f) Details of shares held by each shareholder, holding more than 5% shares.				
Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Hitesh Topiwaalla	25,60,640	52.80%	25,60,640	52.80%
Paramount Kumkum Pvt. Ltd	10,65,150	21.94%	10,65,150	21.94%
Total	36,25,790	74.74%	36,25,790	74.74%
(g) NIL shares (NIL shares) were reserved for issuance under auctions and contracts / commitments for the sale of shares / disinvestment.				
(h) The company has not allotted fully paid up shares pursuant to contract(s) and fully paid bonus Shares, without payment being received in cash. Further, the Company has not bought back any shares. Hence, disclosure regarding number of shares and class of shares to be bought back does not arise.				
(i) There are no securities issued by company which are convertible into equity / preference shares. Hence disclosure regarding terms of convertible security and earliest date of conversion does not arise.				
(j) None of the calls are unpaid. Hence disclosure regarding number of shares and amount due from director, officer and others does not arise.				
(k) None of the shares are forfeited. Hence disclosure regarding number of shares and amount originally paid does not arise.				

Note: 15

Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
Share Premium		
Opening Balance	1,085.25	1,085.25
Add: Any further addition	-	-
Less: Utilised/ transferred during the year	-	-
Closing Balance	1,085.25	1,085.25
Capital Reserve		
Opening Balance	0.31	0.31
Add: Any further addition	-	-
Less: Utilised/ transferred during the year	-	-
Closing Balance	0.31	0.31



Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	372.15	384.91
Less: Depreciation charged due to reduction in useful life	-	
Add: Profit/(Loss) for the year	(7.43)	(12.77)
Add: Transfer from Equity component of CFI	-	
Amount available for appropriation	364.72	372.14
Other Comprehensive Income		
Remeasurement Gains/(losses) on defined benefit plans		
Opening Balance	5.26	9.94
Add or Less : Transactions during the year	(4.34)	(4.68)
Closing Balance	0.92	5.26
Total Other Equity	1,451.19	1,462.96

Note: 16

Non-Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Bond/Debentures		-
Term Loans		
- From Bank*	167.66	324.17
- From Other Parties	39.84	37.61
Unsecured		
Trade Deposits/Advances	120.01	125.00
Loans and Advances From Related Parties	239.20	228.64
Total Non Current Borrowings	566.71	715.42

Details of Security

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

ii. Unsecured loans from related parties are interest free and are expected to be repaid after 31/03/2020

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

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

Note: 17

Non-Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity	36.80	33.88
Leave Encashment	38.14	33.90
Total Non-Current Provisions	74.95	67.78

Note: 18

Other Non-Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income	20.50	22.00
Payable for Expenses	77.82	
Total Non-Current Provisions	98.32	22.00



Note: 19**Current Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand		
- From Bank	-	-
- Working capital loan	1,094.26	1,135.91
Total Current Borrowings	1,094.26	1,135.91

Details of Security

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

Note: 20**Trade Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Total outstanding dues of micro enterprises and small enterprises	12.78	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	249.04	345.06
Total Trade Payables	261.82	345.06

Note: 21**Other Current Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of long term debt	157.38	231.59
Unclaimed Dividend	14.69	14.69
Creditors for Capital Expenditure	9.76	-
Total Other Current Financial Liabilities	181.83	246.28

Note: 22**Other Current Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	113.93	46.51
Payable for Expenses	450.97	226.31
Total Other Current Liabilities	564.90	272.82

Note: 23**Short-term Provision**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits		
Bonus	15.59	13.43
Gratuity	1.91	1.50
Leave encashment	2.81	0.66
Total Short-term provisions	20.30	15.59



Note: 24 Current Tax Liabilities (Net)		As at March 31, 2020	As at March 31, 2019
Particulars			
Provision for Taxation		123.20	51.13
Less : Advance Income tax (inc TDS receivable)		0.50	0.28
Total Current Tax Liabilities (Net)		122.70	50.85

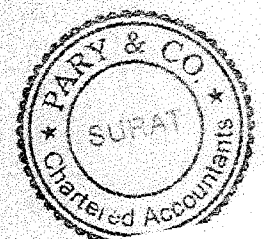
Note: 25 Revenue from operations		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
Sale of Products		2,417.95	2,185.23
Other Operating Revenue		-	1.06
Total		2,417.95	2,186.29

Note: 26 Other Income		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
Interest Income		2.29	2.75
Round off		0.02	-
Other Non Operating Income		1.50	1.87
Total		3.80	4.62

Note: 27 Cost of Raw Material Consumed		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
Opening Stock of Raw Material		475.44	318.04
Add:- Purchases (Net)		384.41	497.41
Add:- Freight Charges		12.69	13.70
Add:- Clearing & Forwarding Charges		10.39	2.98
Add:- Custom Duty		37.58	41.11
Less:- Closing Stock of Raw Material		487.43	475.44
Total		433.08	397.80

Note: 28 Changes of inventories of finished goods, work-in-progress and Stock-in-Trade		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
Opening Inventory - Finished Goods		1,269.11	1,400.85
Closing Inventory - Finished Goods		1,084.49	1,267.50
Net (Increase)/Decrease		184.62	133.35

Note: 29 Employee benefits expense		For the year ended March 31, 2020	For the year ended March 31, 2019
Particulars			
Salaries to Directors		57.42	475.18
Salaries and Wages - Others		396.58	10.66
Contribution to Provident Fund		7.77	5.00
Contribution to ESI Fund		3.75	16.62
Workmen & Staff Welfare Expenses		12.09	13.53
Bonus		11.30	9.05
Gratuity		5.65	530.05
Total		494.55	530.05



Note : 30
Finance costs

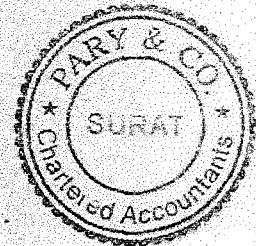
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses		
Bank - on borrowings	182.69	201.43
Others - on borrowings	37.68	35.73
Other borrowing Cost	4.85	13.20
Total	225.22	250.37

Note : 31
Other expenses

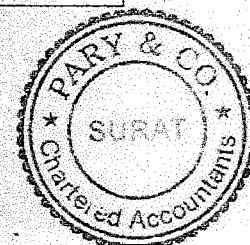
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Manufacturing Expenses (A)		
Consumable Stores & Spares	4.02	6.30
Labour Charges	95.81	104.50
Power and Fuel	11.04	11.58
Repairs and maintenance on building	0.71	0.88
Repairs and maintenance on machinery	4.79	4.73
Security Service Charges	6.47	7.00
Total (A)	122.84	134.99
Selling & Distribution Expenses (B)		
Sales Promotion Expenses	250.58	67.77
MES Expenses	138.70	121.37
CFA Commission & Reimbursements	73.52	58.25
Carriage Outwards	22.75	25.40
Advertisement expenses	3.18	1.43
Royalty	28.20	
Total (B)	516.93	274.22
Establishment Expenses (C)		
Rent	27.76	11.53
Rates and Taxes	17.65	119.56
Net Loss on foreign currency transactions and translations	3.41	(1.93)
Travelling and conveyance	32.19	26.52
Legal and professional	93.47	21.40
Repair & Maintenance Other	34.77	21.17
Insurance	4.48	6.53
Payment Auditors	4.50	4.03
Communication Expenses	14.29	16.50
Printing and Stationery	1.34	5.51
Miscellaneous expenses	40.48	45.43
Total (C)	274.34	276.25
Total (A+B+C)	914.11	685.46

Note: 32
Notes to Account

Particulars	(Amount in Lakhs)	
	2019-20	2018-19
(a) Foreign Currency Income & Expenditure		
- Value of Imports on CIF Basis in respect of		
Raw Materials and Stock-in-Trade	118.80	102.42
- Expenditure in Foreign Currency :		
Travelling Expenses	-	-
The company has no non-resident shareholder, therefore disclosure about forex remittances of dividend amount, number share held by them and year to which dividend are related does not arise		
- Earnings in Foreign Exchange		
FOB Value of Export	17.00	23.91



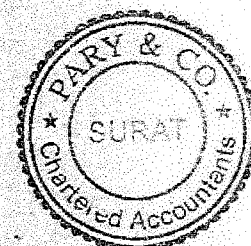
(b) Earnings Per Share (EPS)						
Particulars	2019-20		2018-19			
Net Profit/(Loss) after Tax as per Profit and Loss Statement attributable to Equity Shareholders	(11.77)		-12.76			
Weighted Average number of Equity Shares used as denominator for calculating EPS	48.55		48.55			
Basic and Diluted Earnings per Share	(0.24)		(0.26)			
Face Value per Equity Share	10		10			
(c) Contingent Liabilities and Commitments						
Particulars	2019-20		2018-19			
Contingent Liabilities						
Letter of Credit	1.91		84.19			
Other disputed claims	2.97		-			
Particulars	2019-20		2018-19			
(d) Director Remuneration	57.42		-			
(e) Payments to Auditors	2019-20		2018-19			
Audit fees	3.50		3.50			
Tax Audit fees	1.00		-			
(f) Regrouping & Reclassification						
The previous year figures have been regrouped/reclassified wherever necessary to facilitate comparison with current year's figures.						
(g) Balance Confirmation from Parties						
Balances in parties' accounts are subject to confirmation and reconciliation.						
(h) Impact of COVID-19 Pandemic Inventories						
The outbreak of COVID-19 pandemic globally and In India is causing significant disturbance and slowdown of economic activities. COVID-19 has caused interruption in production, supply chain disruption, on availability of manpower, etc., during the last week of March 2020 and thereafter. The management of the company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing recoverability of trade receivables, the company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. However, due to COVID-19 pandemic, the company could not obtain balance confirmation from its receivables. In assessing the recoverability of inventories, the company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the company is of the view that the carrying amounts of trade receivables and inventories are expected to be realizable to the extent shown in the financial results. Impact of COVID-19 is highly uncertain and may be different from the estimates as at the date of approval of these financial results and the company will continue to closely monitor any material changes in future economic conditions. The company's management has made initial assessment of likely adverse impact on the business and financial risk and believes that impact is likely to be short term in nature. The management does not see any medium to long term risk in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.						
(i) Components of Deferred Tax Asset/(Liability) (Amount in Lakhs)						
Particulars	Opening Balance		Current Year Adjustment		Closing Balance	
	March 31, 2019		March 31, 2020			
	Amount	DTA/(DTL)	Amount	DT	Amount	DTA/(DTL)
Difference in Written Down Value	96.15	24.76		-1.38	103.85	26.14
Book Losses						
Disallowance u/s 40 a(ia)						
Gratuity u/s 40 a(ia)	35.38	9.11		-1.24	40.21	10.35
Current year						
Reversal of Previous Year						
Disallowance u/s 43B						
Leave Salary	34.56	8.90		-1.82	41.61	10.71
Current year						
Reversal of Previous Year						
Preliminary expenses						
Current year						
Reversal of Previous Year						
Total	166.09	42.77		-4.44	185.67	47.20



Note: 33

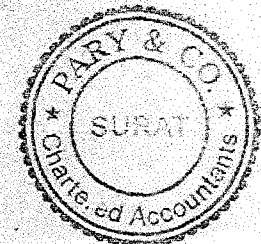
Related Party Disclosure

Details of Related party disclosure		
The Company's material related party transactions and outstanding balances are with the following categories of related parties with whom the Company enters into the transaction in the ordinary course of business.		
Sr.	Description of Relationship	Names of the Related Parties
[a]	Key Management Personnel (KMP)	Hiitesh Topiwaalla Mrs Aartii Topiwaala Mr. Mukesh Kumar Tyagi (Resigned) Mr Shishir Babubhai Desai Mr. Vishwajeet Nalinkat Mehta Pooja Agarwal (Resigned) Prathyusha (Resigned)
[b]	Enterprises over which Directors have significant influence	Paramount Kum Kum Private Limited Paramount Personal Care Private Limited Parcos Brands Private Limited Parcos Brands Investments Private Limited Parcos Brands Communication Private Limited Aiyon Innovations Private Limited
[c]	Associate company	Paramount Kum Kum Private Limited Paramount Personal Care Private Limited Parcos Brands Private Limited Parcos Brands Investments Private Limited Parcos Brands Communication Private Limited Aiyon Innovations Private Limited
Nature of Transaction with Related Parties		
[i]	Loans Accepted	2019-2020 2018-19
	Hiitesh Topiwaalla	118.13
[ii]	Loans Repaid	2019-2020 2018-19
	Hiitesh Topiwaalla	105.72 57.13
	Paramount Kum Kum Pvt Ltd	1.84 3.56
[iii]	Remuneration	2019-2020 2018-19
	Hiitesh Topiwaalla	57.42
[iv]	Rent Expenses / (Income)	2019-2020 2018-19
	Paramount Kum Kum Pvt Ltd	14.16
[v]	Sales	2019-2020 2018-19
	Paramount Kum Kum Pvt Ltd	437.5 347.03
[vi]	Purchases	2019-2020 2018-19
	Paramount Kum Kum Pvt Ltd	40.41 20.58
[vii]	Outstanding Payable as at Year end	2019-2020 2018-19
	Hiitesh Topiwaalla	83.36 70.96
	Mrs Aartii Topiwaala	- 4.61
	Paramount Kum Kum Pvt Ltd	151.23 186.83
[viii]	Outstanding Receivable as at Year end	2019-2020 2018-19
	Paramount Kum Kum Pvt Ltd	680.48 329.55
[ix]	Security Deposit	2019-2020 2018-19
	Paramount Kum Kum Pvt Ltd	575.00 575.00
[x]	Royalty Fees	2019-2020 2018-19
	Parcos Brands Private Limited	0.21 -
	Paramount Kum Kum Pvt Ltd	27.99 -



Note 34 Employee benefit plans

1. Defined benefit plans - Gratuity		
In accordance with Indian law, the Company operates a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The Company manages the plan through a trust. The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements:		
[i] Change in benefit obligations		
Particulars	For the period ending	
	31-Mar-20	31-Mar-19
Present Value of Obligation as at the beginning	35.56	43.10
Interest Cost	2.74	3.32
Current Service Cost	6.26	5.74
Benefits Paid		-
Actuarial (Gain) / Loss on the Obligation	-4.33	-16.60
Present Value of Obligation as at the end	40.23	35.56
[ii] Change in plan assets		
Particulars	For the period ending	
	31-Mar-20	31-Mar-19
Fair Value of Plan Assets as at the beginning	35.56	43.10
Expected Return on Plan Assets	9.00	9.06
Employer's Contributions		-
Benefits Paid		-
Actuarial Gain / (Loss) on the Plan Assets	-4.34	-16.60
Fair Value of Plan Assets as at the end	40.22	35.56
[iii] Funded status - recognised in Balance Sheet		
Particulars	For the period ending	
	31-Mar-20	31-Mar-19
Deficit of plan assets over obligations	-	-
Total - Deficit	-	-
[iv] Category of assets		
Particulars	For the period ending	
	31-Mar-20	31-Mar-19
Funds managed by Insurer	100%	100%
Total	100%	100%
v] Net periodic gratuity / pension cost, included in employee cost consists of the following components:		
Particulars	For the period ending	
	31-Mar-20	31-Mar-19
Current Service Cost	6.26	5.74
Interest Cost	2.74	3.32
Expected Return on Plan Assets		-
Net Actuarial (Gain) / Loss recognised in the period		-
Expenses Recognised in statement of Profit and Loss	9.00	9.06



The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. Each year an Asset - Liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and contribution policies are integrated within this study.

Risk analysis:

Company is exposed to a number of risks in the defined benefit plan. Most significant risks pertaining to defined benefits plan and management estimation of the impact of these risks are as follows:

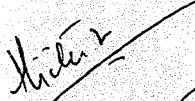
- a. **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.
- b. **Interest Risk:** A decrease in the interest rate on plan assets will increase the plan liability
- c. **Longevity risk/life expectancy** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.
- d. **Salary Growth Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability

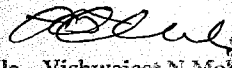
2. Defined contribution plans:

A sum of Rs.5.65 Lakhs has been charged to the Statement of Profit and Loss in respect of Company's contribution to provident fund and employees state insurance.

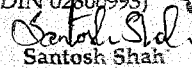
for and on behalf of the Board
PARAMOUNT COSMETICS (INDIA) LIMITED

As per our report of even date
for PARY & CO.,
Chartered Accountants
Firm Reg. No. 007288C

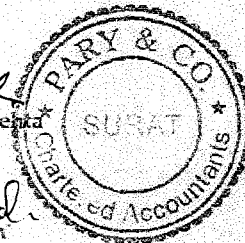

Hitesh Topiiwaalla
Director
(DIN 01603345)

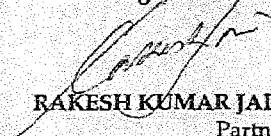

Vishwajeet N Mehta
Director
(DIN 02800993)


Rajnish Matta
Chief Financial Officer


Santosh Shah
Company Secretary

Place : Bangalore Date: 30-Sep-2020




RAKESH KUMAR JAIN
Partner
Membership No : 106109
UDIN: 20106109AAAAAE8514

Place : Surat Date: 30-Sep-2020