

Date: 06th September, 2022

To,
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001.

Sub: 37th Annual Report of the Company for the Financial Year 2021-22.

Company: Paramount Cosmetics (India) Limited

Scrip Code: "PARMCOS - B" [Scrip # 507970]

Dear Sir / Madam,



In compliance with the provisions of Regulation 34(1)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith the 37th Annual Report of the Company for the year 2021-22.

The Company will commence dispatching (by electronic means) of the Notice of 37th Annual General Meeting and the Annual Report for FY 2021-22 to the shareholders from i.e. September 05, 2022.

Kindly take the same on your records.
Thanking You.

Yours Faithfully,

For Paramount Cosmetics (India) Limited



Hena Shah
Company Secretary & Compliance Officer
Place: Bangalore

PARAMOUNT COSMETICS (INDIA) LIMITED

CIN: L24240GJ1985PLC008282

Regd. Office: Plot No. 165/B-15 & 16, 2nd Phase G.I.D.C, Vapi, District Valsad, Gujarat - 396195

Corp.office:902-904,9thFloor,Prestige Meridian-1,29M.G.Road,Bangalore

-560001

Tel: 080-25320870 / 71 / 25327357

Email:compliance.officer@paramount.com

website : www.paramount.com





PARAMOUNT

Rising beyond imagination

PARAMOUNT COSMETICS (INDIA) LIMITED

**THIRTY SEVENTH ANNUAL REPORT
2021-2022**

CONTENTS

Particulars	Page No.
CORPORATE INFORMATION	3
NOTICE	4
DIRECTOR'S REPORT	23
MANAGEMENT DISCUSSION AND ANALYSIS	47
REPORT ON CORPORATE GOVERNANCE	49
INDEPENDENT AUDITORS' REPORT	64
BALANCE SHEET	76
STATEMENT OF PROFIT & LOSS ACCOUNT	77
CASH FLOW STATEMENT	78
NOTES ON ACCOUNTS	79

CORPORATE INFORMATION

<p><u>BOARD OF DIRECTORS</u></p> <ul style="list-style-type: none"> ➤ 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) <p><u>CHIEF FINANCIAL OFFICER</u></p> <ul style="list-style-type: none"> ➤ Mr. Rajnish Matta <p><u>CHIEF EXECUTIVE OFFICER</u></p> <ul style="list-style-type: none"> ➤ Mr. Rajesh Bhan (Resigned w.e.f 02nd May, 2022) <p><u>BANKERS</u></p> <ul style="list-style-type: none"> ➤ IDBI Bank Limited <p><u>REGISTRAR & SHARE TRANSFER AGENT</u></p> <ul style="list-style-type: none"> ➤ BgSE Financials Limited Stock Exchange Towers, No. 51, 1st Cross, J.C Road, Bangalore- 560 027 Ph: 080 4132 9661 Email: rta_admin@bfsl.co.in manager_rta@bfsl.co.in 	<p><u>COMPLIANCE OFFICER & COMPANY SECRETARY</u></p> <ul style="list-style-type: none"> ➤ Mrs. Hena Harshal Shah <p><u>STATUTORY AUDITORS</u></p> <ul style="list-style-type: none"> ➤ M/s. PARY & Co., Chartered Accountants, Surat. <p><u>REGISTERED OFFICE</u> 2211/A-1, III Phase, G.I.D.C. Vapi - 396 195 Dist. -Valsad, Gujarat</p> <p><u>E-MAIL:</u> compliance.officer@parammount.com</p> <p><u>WEBSITE:</u> www.parammount.com</p> <p><u>CIN:</u> L24240GJ1985PLC008282</p> <p><u>CORPORATE OFFICE</u> 902-904, 9th Floor, Prestige Meridian-1, 29, M. G. Road, Bangalore - 560 001 Ph: +91 80 25320870/71 Email: compliance.officer@parammount.com</p>
--	---

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty Seventh Annual General Meeting (37TH)** of the Members of **Paramount Cosmetics (India) Limited** ("Company") will be held on Friday, September 30, 2022 at 11:00 AM through Video Conferencing/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2022 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 re-appoint a director in place of Ms. Aartii Topiwaala (DIN – 03487105), who retires by rotating and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **To consider and approve the Material Related Party Transaction between the Company and Paramount Kum Kum Private Limited:**

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 Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time and Section 2(76), 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Material Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to authorise the Board of directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the explanatory statement, between the Company and Paramount Kum Kum Private Limited, a 'Related Party' of the Company, on such terms and conditions as may be mutually agreed between the Company and Paramount Kum Kum Private Limited for an aggregate value amount not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only) per financial year and will be valid till period of 5 Financial Years from Financial Year 2022-23 till end of the financial year 2026-27 provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT any director(s), Managing Director or KMP of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Managing Director, Chief Financial Officer, Company Secretary or any other officer / authorized representative of the Company, without being required to seek further consent from the members and that the members shall be deemed to have accorded their consent thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the board in connection with any matter referred to

or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all respect and for the purpose of giving effect to this resolution, any director(s) or KMP be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable fit and to settle any question, difficulty, doubt that may arise in this regard.”

4. To consider and approve the Material Related Party Transaction between the Company and Farmous Foods Private Limited:

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 Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time and Section 2(76), 188 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any, the Company’s Policy on Material Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to authorise the Board of directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the explanatory statement, between the Company and Farmous Foods Private Limited, a ‘Related Party’ of the Company, on such terms and conditions as may be mutually agreed between the Company and Farmous Foods Private Limited for an aggregate value amount not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) per financial year, and will be valid till period of 5 Financial Years from Financial Year 2022-23 till end of the financial year 2026-27 provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT any director(s), Managing Director or KMP of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Managing Director, Chief Financial Officer, Company Secretary or any other officer / authorized representative of the Company, without being required to seek further consent from the members and that the members shall be deemed to have accorded their consent thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all respect and for the purpose of giving effect to this resolution, any director(s) or KMP be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable fit and to settle any question, difficulty, doubt that may arise in this regard.”

5. To consider and approve the Material Related Party Transaction between the Company and Infectionshield Biotech Private Limited:

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 Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time and Section 2(76), 188 and other applicable provisions of the Companies Act, 2013 (‘Act’) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any, the Company’s Policy on Material Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to authorise the Board of directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the explanatory statement, between the Company and InfectionsShield Biotech Private Limited, a ‘Related Party’ of the Company, on such terms and conditions as may be mutually agreed between the Company and InfectionsShield Biotech Private Limited for an aggregate value amount not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) per Financial Year and will be valid till period of 5 Financial Years from Financial Year 2022-23 till end of the financial year 2026-27 provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm’s length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT any director(s) , Managing Director or KMP of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Managing Director, Chief Financial Officer, Company Secretary or any other officer / authorized representative of the Company, without being required to seek further consent from the members and that the members shall be deemed to have accorded their consent thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all respect and for the purpose of giving effect to this resolution, any director(s) or KMP be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable fit and to settle any question, difficulty, doubt that may arise in this regard.”

6. To Consider and Approve the Material Related Party Transaction Between the Company And Aiyon Products Private Limited:

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 Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time and

Section 2(76), 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any, the Company's Policy on Material Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, the consent of the members of the Company be and is hereby accorded to authorise the Board of directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Material Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the explanatory statement, between the Company and Aiyon Products Private Limited, a 'Related Party' of the Company, on such terms and conditions as may be mutually agreed between the Company and Aiyon Products Private Limited for an aggregate value amount not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) per financial year and will be valid till period of 5 Financial Years from Financial Year 2022-23 till end of the financial year 2026-27 provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT any director(s), Managing Director or KMP of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Managing Director, Chief Financial Officer, Company Secretary or any other officer / authorized representative of the Company, without being required to seek further consent from the members and that the members shall be deemed to have accorded their consent thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the board in connection with any matter referred to or contemplated in this resolution, be and is hereby approved, ratified and confirmed in all respect and for the purpose of giving effect to this resolution, any director(s) or KMP be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable fit and to settle any question, difficulty, doubt that may arise in this regard."

7. Alteration of the Object Clause of the Memorandum of Association of the Company:

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

"RESOLVED THAT pursuant to the provisions of sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with applicable Rules and Regulations made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to such approvals, permissions and sanctions of Registrar of Companies, appropriate authorities, departments or bodies as and to the extent necessary, consent of the members of the company be and is hereby accorded for effecting the alterations in the existing Object Clause of the Memorandum of Association ("the MOA") of the company in the following manner:

Clause III of the MOA be altered by adding sub-clause A (2) and (3) after sub-clause A (1) :

2. To do and carry on the business of buying, distributing, reselling, importing, exporting and trading of all kinds of goods finished, semi-finished , raw material items, articles, merchandise , products such as food products, anti-infection products , industrial,

chemical, machinery, equipment's, capital goods or any other items capable of purchasing, selling, importing, exporting and trading and to be appointed as agents/or distributors on commission, allowance , retainer ship.

3. To act as a seller & distributor and to perform all the functions and undertakes all activities concerned therewith.

FURTHER RESOLVED THAT any director(s), Managing Director or KMP of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or incidental in this regard to give effect to the aforesaid resolution including filing of all the necessary e-Forms with the Registrar of Companies, Ahmedabad."

8. **Adoption of a new set of Memorandum of Association (MOA) of the Company as per Companies Act, 2013:**

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

"**RESOLVED THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to substitute the existing Memorandum of Association of the Company with new sets of Memorandum of Association (MOA) as per the provisions of the Companies Act, 2013.

FURTHER RESOLVED THAT any director(s), Managing Director or KMP of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or incidental in this regard to give effect to the aforesaid resolution including filing of all the necessary e-Forms with the Registrar of Companies, Ahmedabad."

9. **Adoption of new set of Articles Of Association (AOA) of the Company as per Companies Act, 2013:**

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and other applicable provisions, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to substitute the existing Articles of Association of the Company (AOA) with new sets of Articles of Association (AOA) as per the provisions of the Companies Act, 2013.

FURTHER RESOLVED THAT any director(s), Managing Director or KMP, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or incidental in this regard to give effect to the aforesaid resolution including filing of all the necessary e-Forms with the Registrar of Companies, Ahmedabad."

By Order of the Board
Paramount Cosmetics (India) Limited
Sd/-

Hiitesh Topiiwaalla
Managing Director

DIN: 01603345

Place: Bangalore

Date: 24.08.2022

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular no. 20/2020 dated 5th May, 2020, General Circular nos. 02/2021 and 21/2021 dated 13th January, 2021, 14th December, 2021 and General Circular No. 02/2022 dated 5th May, 2022 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. A Pursuant to MCA Circular No. 14/2020 dated 8th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this E-AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Since the AGM will be held through VC, the Route Map is not relevant and not annexed to this Notice.
4. Corporate members intending to send their authorised representative to attend the Annual General Meeting (AGM) are requested to send Certified Copy of the Resolution authorizing their representative to attend and vote on their behalf at the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24th September 2022 to Friday, 30th September 2022 (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.
6. In accordance with the Companies Act, 2013, one-third of the directors who are liable to retire by rotation, if eligible, offer themselves for re-appointment at the AGM.
7. 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.
8. 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
9. 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**).
10. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, 23rd September 2022 i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice.
11. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on Friday, 23rd September 2022, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or compliance.officer@parammount.com.

12. 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, 27th September 2022 and will end at 5.00 p.m. on Thursday, 29th September 2022. The e-voting module shall be disabled by CDSL for voting thereafter.
13. 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.
14. The Company has appointed M/s Sharma & Pagaria, Chartered Accountants, Surat 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 MCA Circulars dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021 and 5th May, 2022, 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 the 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 and Circular No. 02/2021 dated January 13, 2021, and General Circular No. 02/2022 dated 5th May, 2022, 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 Company/RTA email id.
 - 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 Company/RTA email id

THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE VOTING ARE AS UNDER:

- [i] The voting period begins on 27th September, 2022 at 9.00 A.M. and ends on 29th September, 2022 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date of 23rd September, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- [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. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- [vii] If you are 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 first two letters of their name and the 8 digits of the sequence number 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 ➤ 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 Paramount Cosmetics (India) Limited on which you chooseto vote.
- [xiii] On the voting page, you will see "RESOLUTION DESCRIPTION" and against the samethe 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- [xviii] If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted bythe 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 eVoting and are otherwise not barred from doing so, shall be eligible to vote through eVoting 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 September 18, 2021) mentioning their name, demat account number/folio number, email id, mobile number at (compliance.officer@parammount.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 September 18, 2022) mentioning their name demat account number/folio number, email id, mobile number at (compliance.officer@parammount.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.

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

**Sd/-
Hiitesh Topiiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 3 TO 6

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (the "Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, as per the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 any transactions, if material, require prior approval of shareholders by way of a resolution, notwithstanding the fact that the same are at an arm's length basis and in the ordinary course of business.

As per the amendments to clause (zc) of Regulation 2(1) read with the proviso to Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which was effective from April 1, 2022, provides transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) Rupees 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower.

In view of the afore mentioned regulatory changes the Resolutions No. 3 to 6 are placed before the members for their approval. The management has provided the Audit Committee with relevant details of the proposed related party transactions "RPTs", including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

ITEM NO. 3

Details of the proposed related party transaction(s) between the Company and Paramount Kum Kum Private Limited, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No.	Description	Details of proposed RPTs between the Company and Paramount Kum Kum Private Limited
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a.	Type, material terms and particulars of the proposed transaction	The Company and Paramount Kum Kum Private Limited into/propose to enter into the following RPT during the financial year 2022-23 for an aggregate value not exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores Only) per financial year from Financial Year 2022-23 till end of the financial year 2026-27
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Paramount Kum Kum Private Limited is part of the promoter group of the Company and directly holds 10,65,150 equity shares of the Company equivalent to 21.94% of the paid-up equity share capital of the Company. Mr. Hiitesh Topiwaalla is the director and holding 90% stake in Paramount Kum Kum Private Limited. Mrs. Aartii Topiwaala is the director and holding 10% stake in Paramount Kum Kum Private Limited.
c.	Tenure of the proposed transaction (particular tenure shall be specified)	For 5 Financial Years from Financial year 2022-23 till end of the financial year 2026-27.

d.	Value of the proposed transaction	The total value of the transaction(s) entered or proposed to be entered with the related party for an aggregate value not exceeding Rs. 50,00,00,000/- (Rupees Fifty crores only) during the financial year 2022-23 are mentioned below: Sale and Purchase of goods or Supply and Distribution of any goods and Services- Rs. 45,00,00,000/- Leasing of Property of any kind- Rs.5,00,00,000/-
e.	If the transaction relates to any loans, inter-corporate deposits, advances or investments taken by the listed entity or its subsidiary	
	i) Details of source of funds in connection with the proposed transaction	Not Applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • Nature of indebtedness; • cost of funds; and • tenure;	
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
f.	Justification as to why the RPT is in the interest of the listed entity.	The objective of the proposed transaction is to ensure continuity in the business and expanding its horizon to supply and distribution of various brands in the market..
g.	A copy of the valuation or other external party report, if any such report has been relied upon	Not applicable
h.	Any other information that may be relevant	All relevant information is mentioned in the Explanatory Statement.
i.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not applicable
j.	Name of the director or key managerial personnel who is related, if any	Mr. Hiitesh Topiwaalla and Mrs. Aartii Topiwaala

ITEM NO. 4

Details of the proposed related party transaction(s) between the Company and Farmous Foods Private Limited, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated November 22, 2021, are as follows:

S . No.	Description	Details of proposed RPTs between the Company and Farmous Foods Private Limited
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a.	Type, material terms and particulars of the proposed transaction	The Company and Farmous Foods Private Limited into/propose to enter into the following RPT during the financial year 2022-23 for an aggregate value not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) per financial year from Financial Year 2022-23 till end of the financial year 2026-27.
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Hiitesh Topiwaalla is one of the director and holding 17.99 % stake in Farmous Foods Private Limited. Mrs. Aartii Topiwaala is the director of Farmous Foods Private Limited
c.	Tenure of the proposed transaction (particular tenure shall be specified)	For 5 Financial Years from Financial year 2022-23 till end of the financial year 2026-27.
d.	Value of the proposed transaction	The total value of the transaction(s) entered or proposed to be entered with the related party for an aggregate value not exceeding Rs. 10,00,00,000/- (Rupees Ten crores only) during the financial year 2022-23 are mentioned below: Sale and Purchase of goods or Supply and Distribution of any goods and Services – Rs.10,00,00,000/-
e.	If the transaction relates to any loans, inter-corporate deposits, advances or investments taken by the listed entity or its subsidiary	
	i) Details of source of funds in connection with the proposed transaction	Not Applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • Nature of indebtedness; • cost of funds; and • tenure;	
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
f.	Justification as to why the RPT is in the interest of the listed entity.	The objective of the proposed transaction is to ensure continuity in the business and expanding its horizon to supply and distribution of various brands in the market.
g.	A copy of the valuation or other external party report, if any such report has been relied upon	Not applicable
h.	Any other information that may be relevant	All relevant information is mentioned in the Explanatory Statement.

i.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not applicable
j.	Name of the director or key managerial personnel who is related, if any	Mr. Hiitesh Topiwaalla and Mrs. Aartii Topiwaala

ITEM NO. 5

Details of the proposed related party transaction(s) between the Company and Infectionsshield Biotech Private Limited, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No.	Description	Details of proposed RPTs between the Company and Infectionsshield Biotech Private Limited
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a.	Type, material terms and particulars of the proposed transaction	The Company and Infectionsshield Biotech Private Limited into/propose to enter into the following RPT during the financial year 2022-23 for an aggregate value not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) per financial year from Financial Year 2022-23 till end of the financial year 2026-27.
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Hiitesh Topiwaalla is one of the director of Infectionsshield Biotech Private Limited.
c.	Tenure of the proposed transaction (particular tenure shall be specified)	For 5 Financial Years from Financial year 2022-23 till end of the financial year 2026-27.
d.	Value of the proposed transaction	The total value of the transaction(s) entered or proposed to be entered with the related party for an aggregate value not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) during the financial year 2022-23 are mentioned below: Sale and Purchase of goods or Supply and Distribution of any goods and Services – Rs.10,00,00,000/-
e.	If the transaction relates to any loans, inter-corporate deposits, advances or investments taken by the listed entity or its subsidiary	
	i) Details of source of funds in connection with the proposed transaction	Not Applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • Nature of indebtedness; • cost of funds; and • tenure;	
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	

	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
f.	Justification as to why the RPT is in the interest of the listed entity.	The objective of the proposed transaction is to ensure continuity in the business and expanding its horizon to supply and distribution of various brands in the market.
g.	A copy of the valuation or other external party report, if any such report has been relied upon	Not applicable
h.	Any other information that may be relevant	All relevant information is mentioned in the Explanatory Statement.
i.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not applicable
j.	Name of the director or key managerial personnel who is related, if any	Mr. Hiitesh Topiiwaalla

ITEM NO. 6

Details of the proposed related party transaction(s) between the Company and Aiyon Products Private Limited, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No.	Description	Details of proposed RPTs between the Company and Aiyon Products Private Limited
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a.	Type, material terms and particulars of the proposed transaction	The Company and Aiyon Products Private Limited into/propose to enter into the following RPT during the financial year 2022-23 for an aggregate value not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) per financial year from Financial Year 2022-23 till end of the financial year 2026-27.
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Hiitesh Topiiwaalla is one of director of Aiyon Products Private Limited.
c.	Tenure of the proposed transaction (particular tenure shall be specified)	For 5 Financial Years from Financial year 2022-23 till end of the financial year 2026-27.
d.	Value of the proposed transaction	The total value of the transaction(s) entered or proposed to be entered with the related party for an aggregate value not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) during the financial year 2022-23 are mentioned below: Sale and Purchase of goods, Supply & Distribution of goods & services – Rs.10,00,00,000/-
e.	If the transaction relates to any loans, inter-corporate deposits, advances or investments taken by the listed entity or its subsidiary	
	i) Details of source of funds in connection with the proposed transaction	

	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments • Nature of indebtedness; • cost of funds; and • tenure;	Not Applicable
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
f.	Justification as to why the RPT is in the interest of the listed entity.	The objective of the proposed transaction is to ensure continuity in the business and expanding its horizon to supply and distribution of various brands in the market..
g.	A copy of the valuation or other external party report, if any such report has been relied upon	Not applicable
h.	Any other information that may be relevant	All relevant information is mentioned in the Explanatory Statement.
i.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders	Not applicable
j.	Name of the director or key managerial personnel who is related, if any	Mr. Hiitesh Topiwaalla

ITEM NO. 7

The Members are hereby informed that the current main Object Clause of the Memorandum of Association of the Company (MoA) covers all the activities carried on by the Company but in order to diversify into certain new business ventures, your directors are considering various proposals for diversifying the company's activities into other activities as mentioned in the resolution.

The alteration in the Objects Clause of the memorandum of association as set out in the resolution is to facilitate diversification. This will enable the company to carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the company. This will also enlarge the area of operations of the company. It is proposed to amend the Main Objects under the Objects Clause of the Memorandum of Association of the company, by the insertion of sub-clause 2 and 3 after the existing sub-clause 1 as stated in the resolution in the annexed notice. The above amendment would be subject to the approval of the Registrar of Companies, Ahmedabad and any other statutory or Regulatory authority, as may be necessary.

None of the Directors of the company or their relatives are concerned or interested in the passing of the above resolution.

The Board recommends the passing of the resolution set out at Item No. 7 for the approval of the Members of the Company by a Special Resolution.

ITEM NO. 8

The existing Memorandum of Association (MOA) is based on the erstwhile Companies Act, 1956. The Alteration of Memorandum of Association (MOA) is necessary to bring the existing Memorandum of Association (MOA) in line with the new Companies Act, 2013.

According to the new Act, the Companies now have only Main Business and Ancillary and Incidental Businesses to the attainment of Main Business, therefore, it is important to alter and adopt the new set of Memorandum of Association (MOA) as per the Companies Act, 2013. The new set of Memorandum of Association (MOA) is based on Table-A of the Companies Act, 2013.

A Copy of the proposed set of new Memorandum of Associations (MOA) of the Company would be available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors and Key Managerial Personnel of the Company, including their respective relatives, is concerned or interested, financially or otherwise, in the foregoing resolution.

The Board recommends the passing of the resolution set out at Item No. 8 for the approval of the Members of the Company by a Special Resolution.

ITEM NO. 9

The existing Articles of Association (AOA) is based on the erstwhile Companies Act, 1956. The Alteration of Articles of Association (AOA) is necessary to bring the existing Articles of Association (AOA) in line with the new Companies Act, 2013.

With the coming into force of the new Act, several regulations of the existing Articles of Association (AOA) of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing Articles of Association (AOA) by a set of new Articles.

The new Articles of Association (AOA) to be substituted in place of existing Articles of Association (AOA) are based on Table-F of the Companies Act, 2013 which sets out the model of Articles of Association (AOA) for a Company limited by shares.

A Copy of the proposed set of new Articles of Association (AOA) of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day.

None of the Directors and Key Managerial Personnel of the Company, including their respective relatives, is concerned or interested, financially or otherwise, in the foregoing resolution.

The Board recommends the passing of the resolution set out at Item No. 9 for the approval of the Members of the Company by a Special Resolution.

By Order of the Board
Paramount Cosmetics (India) Limited

Sd/-
Hiitesh Topiiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022

ANNEXURE A 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	50
Date of Appointment	14.02.2018
Qualification	B. Com
Expertise in specific functional Area	Rich experience of more than 25years 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)	<ul style="list-style-type: none"> - Paramount Cosmetics (India)Limited - Paramount Personal Care Private Limited - Paramount Kum Kum Pvt Ltd - Parcos Brands Investment Private Limited - Parcos Brands Private Limited - Parcos Brands Communication Private Limited - Farmous Foods Private Limited - Sepio Innovations Private Limited
List of Chairmanship/ Membership of the Committees of Board of Public Companies as on March 31, 2022 (including this Listed Entity)	Paramount Cosmetics (India)Limited: <ul style="list-style-type: none"> • Nomination & Remuneration Committee –Member • Stakeholders Relationship Committee –Chairman

By Order of the Board
Paramount Cosmetics (India) Limited

Sd/-
Hiitesh Topiwaalla
Managing Director
DIN: 01603345
 Place: Bangalore
 Date: 24.08.2022

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the 37th Annual Report of your Company, together with the business operations for the year ended 31st March, 2022.

1. FINANCIAL RESULTS

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

(Figures in Rs. lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Sales and other Income	2474.51	1866.98
Profit before Depreciation, Interest, Exceptional Items	364.03	375.61
Depreciation	95.19	106.36
Interest and Finance Charges	235.37	231.06
Profit before Tax	33.47	38.18
Tax Expenses	13.89	3.90
Net Profit/Loss	19.58	34.28
Other Comprehensive Income	7.58	20.81

2. INDIAN ACCOUNTING STANDARDS

The financial statements for the financial year 2021-22 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.

3. PERFORMANCE DURING THE YEAR

Sales and other income of the Company for the year is Rs. 2474.51 lakhs as compared to Rs. 1866.98 lakhs in the previous year, showing an increase of 32.55%. The Company has incurred a profit after tax amounting to Rs. 19.58 lakhs in comparison to Rs. 34.28 lakhs last year.

4. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2021-22.

5. 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.

6. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2022 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, 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

7. 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.

8. TRANSFER TO RESERVE

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

9. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting financial position between

end of the financial year and the date of the report.

10. 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 the Annual Return under Section 92(3) will be placed on the website of the Company @ <https://www.parammount.com/>.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

During FY 2021-22, The Company appointed Mrs. Hena Shah as Company Secretary w.e.f September 28, 2021.

12. BOARD COMMITTEES

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

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee

13. 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.

14. 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. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

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.

15. 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 the Meeting of Board of Directors and General Meetings respectively, have been duly complied with.

16. SECRETARIAL AUDIT

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

17. 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 programs 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.

18. 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 the 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.

19. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors was held on March 15, 2022 without the 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 into 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.

20. 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.

21. POLICIES OF THE COMPANY

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

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

22. 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 2021-22, no case of sexual harassment of women was filed under the said Act.

23. 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. The detailed annexure is given in AOC-2.

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

24. 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.

During the year 2020-21 there was no Internal Auditor of the company and the company appointed Internal Auditor for the financial year 2022-23 on 27th May, 2022.

25. 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.

26. **DISCLOSURES**

[i] 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.

[ii] 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.

[iii] **Number of Meetings of the Board:**

The details of the number of meetings of the Board held during the financial year 2021-22 forms part of the Corporate Governance Report.

[iv] **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 Comments by the board on every qualification, reservations or adverse remark of Secretarial Audit Report is as follows:

1. The company was not having a proper constitution of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee.
 - The Company reconstituted the committee on 09th August, 2021 and completed the requisite procedure for the same.
2. The company was not having a proper Company Secretary from May 13, 2021 to September 27, 2021.
 - The company appointed a company secretary on September 27, 2021 and completed the requisite procedure for the same. It took time to appoint a company secretary as the COVID wave was going on.

The Comments by the board on every qualification, reservations or adverse remark of Statutory Audit Report is as follows:

1. **In Respect Of the Company's Fixed Assets:**

- (a) The company is in the process of updating the records to show full particulars, including quantitative details and situation of its Property, Plant and Equipment.
 - (b) The company is the process of updating records to show full particulars of intangible assets.
 - (c) As stated to us the company is in the process of updating the records of Property, Plant and Equipment and physical verification of Property, Plant and Equipment by the management is in the process of setting up proper procedures depending on the types of assets. During the year physical verification has been made for the part of the assets and no discrepancies have been reported.
 - (d) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
 - (e) As per information provided to us the Company has not revalued its Property, Plant and Equipment (including, right to use the asset) or intangible asset or both during the year.
 - (f) As stated to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The fixed assets registers for the previous years records are under process of rectification and will be updated within this financial year.

2. **In Respect of Inventory:**

- (a) As informed to us, the inventory has been physically verified by the management during the year. The frequency of such verification is reasonable, and procedures and coverage followed by the management is appropriate. No material discrepancies were noticed on such verification between the physical stock and the book records.

(b) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore from banks on the security of the current assets. The quarterly returns or statements filed by the company with banks or financial institutions are not in agreement with the books of account of the Company, and details of variances and reasons for such variances are disclosed in the notes of the Financial Statements.

- The variances in the details submitted to the bank and the quarterly financials is mainly due to time gap in identifying the variances. The explanations are provided

[v] 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.

[vi] 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.

[vii] The amounts which it proposes to carry to any reserves: NIL

[viii] Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report: NIL

[ix] 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.

[x] 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.

27. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016: NA

During the year under review, there were no applications made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

28. 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.

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

**Sd/-
Hiitesh Topiiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022**

**Sd/-
Vishwajeet Nalinkant Mehta
Director
DIN: 02800993
Place: Bangalore
Date: 24.08.2022**

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.	32:1		
[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 the company	101		
[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)		
		31.03.2022	31.03.2021
	Market Cap (Rs. In Lakhs)	2252.72	779.23
	PE	116	22.61
[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 37 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 Topiiwaalla
Designation	Managing Director
Remuneration Received (Net)	83.00 Lacs
Nature of Employment (Contractual/ Otherwise)	Employment
Qualification	B.Com
Experience	30 Years
Date of Commencement of Employment	01.08.2005
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 Topiiwaalla, 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.**

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

Sd/-
Hiitesh Topiiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022

Sd/-
Vishwajeet Nalinkant Mehta
Director
DIN: 02800993
Place: Bangalore
Date: 24.08.2022

Annexure - I
Form No. MR-3
SECRETARIAL COMPLIANCE REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
PARAMOUNT COSMETICS (INDIA) LIMITED
 CIN: L24240GJ1985PLC008282
 PLOT NO. 165/B-15 & 16,
 2ND PHASE, GIDC VAPI,
 VALSAD - 396195,
 GUJARAT, INDIA

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s PARAMOUNT COSMETICS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the Financial Year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable to the Company during the Audit Period;**
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company during the Audit Period;**
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not Applicable to the Company during the Audit Period;**

- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable to the Company during the Audit Period.**
- (h) 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
 - b) The Bureau of Indian Standards Act, 2016 and rules made thereunder
 - c) 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 and Stakeholder Relationship Committee, the company re-constituted the above committees w.e.f. August 09, 2021.

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, The Position of Company Secretary was vacated from May 13, 2021 to September 27, 2021. Ms. Hena Shah was appointed as a Company Secretary w.e.f. September 28, 2021.

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: July 28, 2022
Place: Rajkot**

**Sd/-
CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP:12468
UDIN:A033400C000873283**

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.

To
THE MEMBERS,
PARAMOUNT COSMETICS (INDIA) LIMITED
CIN: L24240GJ1985PLC008282
PLOT NO. 165/B-15 & 16,
2ND PHASE, GIDC VAPI,
VALSAD - 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: July 28, 2022
Place: Rajkot**

**Sd/-
CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP:12468
UDIN:A033400C000873283**

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 the 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 the relationship	Hiitesh Topiwaalla
(b)	Nature of contracts/ arrangements/ transactions	Being paid against Managerial Remuneration not exceeding as above Basic Salary- Rs. 2,26,00,000/- P.A Allowance & Perquisites- Rs. 74,00,000/- P.A Commission- 5% of Net Profit of the Company
(c)	Duration of the contracts / arrangements/ transactions	5 years from 01 st April, 2021 to 31 st March, 2026
(d)	Date(s) of approval by the Board	30.09.2021

Sl. No.	Details of contracts or arrangements or transactions at arm's length basis	
(a)	Name(s) of the related party and nature of the relationship	Paramount KumKum Private Limited
(b)	Nature of contracts/ arrangements/ transactions	Being paid or to be paid against Royalty Amount for usage of brand/Sale, Purchase, job work & Supply of Raw Materials, packing materials & Finished Goods singly or a combination of two or more transactions /Provide or acquire any property on lease/Being Paid or to be paid against Rentals for leased out property/Security deposit provided for the usage of offices & various trademarks/ Security Deposit.
(c)	Duration of the contracts / arrangements/ transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's length basis

(e)	Date(s) of approval by the Board	27.05.2022
(f)	Amount paid as advances, if any	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 the relationship	Parcos Brands Private Limited
(b)	Nature of contracts/ arrangements/ transactions	Being paid or to be paid against Royalty Amount.
(c)	Duration of the contracts / arrangements/ transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's lengthbasis
(e)	Date(s) of approval by the Board	27.05.2022
(f)	Amount paid as advances, if any	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 the relationship	Farmous Foods Private Limited
(b)	Nature of contracts/ arrangements/ transactions	Sale, Purchase, job work & Supply of Raw Materials, packing materials & Finished Goods, warehousing & distribution services singly or a combination of two or more transactions/Advances/Deposit/Advances during the initial phase of the business development of the company.
(c)	Duration of the contracts / arrangements/ transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's lengthbasis
(e)	Date(s) of approval by the Board	27.05.2022
(f)	Amount paid as advances, if any	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 the relationship	Infectionshield Biotech Private Limited
(b)	Nature of contracts/ arrangements/ transactions	Advances/Sales/Purchases
(c)	Duration of the contracts / arrangements/ transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's lengthbasis

(e)	Date(s) of approval by the Board	27.05.2022
(f)	Amount paid as advances, if any	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 the relationship	Shingar Limited
(b)	Nature of contracts/ arrangements/ transactions	Advances/Advances towards the development of tools/dyes and molds
(c)	Duration of the contracts / arrangements/ transactions	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's lengthbasis
(e)	Date(s) of approval by the Board	27.05.2022
(f)	Amount paid as advances, if any	NIL

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

Sd/-

Hiitesh Topiiwaalla
Managing Director

DIN: 01603345

Place: Bangalore

Date: 24.08.2022

Sd/-

Vishwajeet Nalinkant Mehta
Director

DIN: 02800993

Place: Bangalore

Date: 24.08.2022

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>Not Applicable</p>

(C) Foreign exchange earnings and Outgo

Foreign Exchange earned in terms of actual inflows during the year		Rs. 40.53 Lacs
Foreign Exchange outgo during the year in terms of actual outflows		Rs.149.43 Lacs

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

Sd/-

Hiitesh Topiiwaalla

Managing Director

DIN: 01603345

Place: Bangalore

Date: 24.08.2022

Sd/-

Vishwajeet Nalinkant Mehta

Director

DIN: 02800993

Place: Bangalore

Date: 24.08.2022

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	20 th 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	Plot No. 165/B-15 & 16, 2nd Phase, GIDC Vapi Valsad GJ 396195 IN
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 the 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 or associate company.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as a 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

	Category of Shareholders	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)	NRIs- 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	0.03	0	1400	1400	0.03	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	16263	4858	21121	0.43	7422	4858	12280	0.25	(0.18)
	(ii) Overseas									
b)	Individuals									
(i)	Individual Shareholders holding nominal share capital upto Rs. 2 lakhs	437168	487242	924410	19.04	425673	477851	903524	18.61	(0.43)
(ii)	Individual Shareholders holding nominal share capital in excess of Rs 2 lakhs	50252	0	50252	1.03	81056	0	81056	1.67	0.64
c)	Others (Specify)									
	Clearing Members/ NRIs/OCBs/IEPF/Trusts	241889	6309	248198	5.11	224560	1440	226000	4.66	(0.45)
	Sub-total(B)(2)	723619	499241	1222860	25.19	738711	484149	1222860	25.19	Nil
	Total Public Shareholding (B)=(B)(1)+(B)(2)	730709	493551	1224260	25.22	738711	485549	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)		4359089	495911	4855000	100	4367091	487909	4855000	100	0

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged /	
1.	Mr. Hiitesh Topiwaalla	2562990	52.79	NIL	2562990	52.79	NIL	0
2.	Ms. Aartii Topiwaala	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	-	-

V. 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	1345.98	219.93	0	1565.92
(ii)	Interest due but not paid	0	0	0	0
(iii)	Interest accrued but not due	0	0	0	0
	Total (i + ii + iii)	1345.98	219.93	0	1565.92
2	Change in Indebtedness during the financial year				
	Addition	0	4.74	0	4.74
	Reduction	271.50	0	0	271.50

	Net Change	271.50	4.74	0	276.24
3	Indebtedness at the end of the financial year				
(i)	Principal Amount	1074.48	224.67	0	1299.16
(ii)	Interest due but not paid	0	0	0	0
(iii)	Interest accrued but not due	0	0	0	0
	Total (i + ii + iii)	1074.48	224.67	0	1299.16

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 Topiiwaalla	
a	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	83.00	83.00
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	0	0
	Total (A)	83.00	83.00

*Note: The remuneration quoted is Net Salary.

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	
1	Independent Directors				
A	Fee for attending Board / Committee Meetings	-	0.3	0.3	0.6
B	Commission	-	-	-	-
C	Others, Please specify	-	-	-	-
	Total (1)	-	0.3	0.3	0.6
2	Other Non Executive Directors				
A	Fee for attending Board / Committee Meetings	0.1	0	0	0.1
B	Commission	0	0	0	0
C	Others, Please specify	0	0	0	0
	Total (2)	0.1	0	0	0.1

	Total (B) = (1+2)	0.1	0.3	0.3	0.7
3	Total Managerial Remuneration*	NA			
	Overall Ceiling as per the Act	NA			

VII. 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	CFO	CEO
		Hena Shah	Rajnish Matta	*Rajesh Bhan
		(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
1	Gross Salary	0	0	
A	Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	6.50	24.00	9.02
B	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
C	(c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission- as % of profit others, specify	0	0	0
5	Others, Please specify - Telephone / Car / Fuel etc	0	0	0
	Total (A)	6.50	24.00	9.02
*The KMP's are not currently associated with the Company.				

VIII. DETAILS OF PENALTY/PUNISHMENT/COMPOUNDING

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

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

Sd/-

Hiitesh Topiiwaalla

Managing Director

DIN: 01603345

Place: Bangalore

Date: 24.08.2022

Sd/-

Vishwajeet Nalinkant Mehta

Director

DIN: 02800993

Place: Bangalore

Date: 24.08.2022

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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.

A. INDUSTRY OUTLOOK

The global beauty market, particularly in brick-and-mortar channels, faced significant challenges in the past two years, particularly due to the global COVID-19 pandemic. The sector is growing through digital channels. Globally around 25% of sales of beauty products are online but more importantly, the development of online sales has changed the potential market reach of brands that once were considered as selective.

B. 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.

C. FINANCIAL PERFORMANCE

1) Sales and Other Income

The Sales and other income of your Company for the year was Rs. 2474.51 lakhs as against Rs. 1866.98 lakhs in the previous year, showing an increase of 32.54% over the previous year.

2) Material Cost

The material cost for the year was Rs. 740.17 lakhs as against Rs. 363.13 lakhs in the previous year. The material cost is increased by 103.83%

3) Employment Cost

The expenses pertaining to employment costs in FY 2021-22 was Rs. 573.78 Lakhs as against Rs 493.70 lakhs in previous year. This is increased by 16.22%.

4) Finance Cost

The interest and Finance charges paid has increased to Rs. 235.37 lakhs in the current year as against Rs. 231.06 Lakhs in the previous year.

5) Depreciation

The depreciation for the year was Rs.95.19 Lakhs as against Rs. 106.36 lakhs in the previous year.

6) Profit Before Tax

Profit before tax (PBT) stood at Rs. 33.47 Lakhs as against Rs. 38.19 lakhs showing a decrease of 12.36%.

7) Profit/(Loss) After Tax

Profit after tax (PAT) was Rs. 19.58 Lakhs as against profit of Rs. 34.29 lakhs in the previous year.

D. OPPORTUNITIES

The Beauty and Personal Care industry is categorized into five segments – body care, hair care, face care, hand care and color cosmetics. The Indian beauty and personal care market is expected to exhibit a CAGR of 6.5% during 2022-2027. Despite of COVID-19 pandemic the cosmetics industry growth has not been decreased and is expected to grow more in the coming years. The usage of social media has increased in an unprecedented way and allows access to reach individuals locally and globally and is giving the company an opportunity to sale the products both online and offline.

Looking at the current market the company is thinking of expanding into more products with new

innovative ideas in skin care, body care, health care, beauty care, high end color cosmetics products. The company is also thinking of expanding sales and distribution in more number of towns in the coming 3 years which can lead to a good expansion of the company.

E. THREATS

Although the Company has a long history of achievements and existence to its credit, one of the threat to the industry is a huge competition in the market. Social media has added benefit and complexity in equal measure, with users sharing their experiences, reviews and advice about products with thousands of others at the click of a button. This can be great for exposure if the review is positive, but if not, product sales can really suffer. The other threat 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.

F. 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.

G. 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. We have an active risk management strategy in place to identify potential risks, create mitigation strategies and monitor the occurrence of risk. Thus, the Company is well aware of these risks and challenges and has put in place mechanisms to mitigate the same.

H. 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.

I. HUMAN RESOURCES

The Company had 101 employees on rolls as on 31st March 2022.

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

Sd/-

Hiitesh Topiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022

Sd/-

Vishwajeet Nalinkant Mehta
Director
DIN: 02800993
Place: Bangalore
Date: 24.08.2022

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.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Board of Directors of the Company are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. 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. Its 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 of Directors of the Company is in compliance with the Companies Act, 2013 (the Act) and SEBI Listing Regulations and consists of optimum combination of experts, business persons and renowned personalities having significant professional capabilities. The composition of the Board as on 31st March, 2022 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 percent of the Board comprising of Non- Executive Directors.

As on March 31, 2022, 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 2021- 22 ended as on 31st March, 2022 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
			Hel d	Attend ed					
Mr. Hiitesh Topiwaalla	Promoter & Executive Director	Husband of Ms. Aartii Topiwaalla	6	6	Yes	Nil	1	Nil	2
Ms. Aartii Topiwaala	Promoter & Non-Executive Director	Wife of Mr. Hiitesh Topiwaalla	6	2	Yes	Nil	1	1	1
Mr. Vishwajeet N Mehta	Independent & Non-Executive Director	None	6	6	Yes	Nil	2	2	1
Mr. Shishir B Desai	Independent & Non-Executive Director	None	6	6	No	Nil	2	3	2

** 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.

B. 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, 2022 on 15th March 2022 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

C. 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.

D. 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.

E. BOARD MEETINGS

During the financial year 2021-22, the Board of Directors met Six (6) times on the following dates:

- 1) 30.06.2021
- 2) 09.08.2021
- 3) 03.09.2021
- 4) 28.09.2021
- 5) 12.11.2021
- 6) 11.02.2022

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

F. 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.

G. 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 37th Annual General Meeting and holds office until conclusion of ensuing 38th Annual General Meeting to be held in year 2022, 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.

H. 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, 2022.

III. BOARD COMMITTEES**A. AUDIT COMMITTEE****Composition:**

The composition of the Audit Committee for FY 2021-22 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 first quarter wherein due to resignation of one of the non-executive Independent Director. The committee has reconstituted on 9th August 2021, as per the requirements of the SEBI LODR Regulations 2015. The composition of the Audit Committee after reconstitution w.e.f 9th August 2021 comprised of following members:

Name of Director	Designation	Category
Mr. Vishwajeet Nalinkat Mehta	Chairman	Non-Executive -Independent Director
Mr. Sishir Babubhai Desai	Member	Non-Executive - Independent Director
Mr. Hiitesh Topiwaalla	Member	Executive Director

Meetings:

During the Financial Year 2021-22, the Audit Committee met Six times. The details of meeting and attendance are given on Page 58 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 27th May 2022 reviewed the Annual Accounts for the period ended 31st March, 2022.

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 sub-mission 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, share-holders (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 composition of the Nomination and Remuneration Committee for FY 2021-22 was as per the requirements of the Companies Act, 2013 and provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. The committee has reconstituted on 9th August 2021, as per the requirements of the SEBI LODR Regulations 2015. The composition of the Committee after reconstitution w.e.f 9th August 2021 comprised of the following directors as members:

	Name	Designation	Category
1	Mr. V.N. Mehta	Chairman	Non-Executive - Independent Director
2	Ms. Aartii Topiwaala	Member	Non-Executive - Non Independent Director
3	Mr. Sishir Babubhai Desai	Member	Non-Executive - Independent 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

During the Financial Year 2021-22, the Nomination and Remuneration Committee met Four times. The details of meeting and attendance are given on Page 58 of this Report.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution

The Stakeholders Relationship Committee for FY 2021-22 constituted following members:

Name	Designation	Category
Ms. Aartii Topiwaala	Chairman	Non-Executive - Non Independent Director
Mr. V.N. Mehta	Member	Non-Executive - Independent Director
Mr. Hiitesh Topiwaalla	Member	Executive 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' Relationship Committee three times during the year and the details of meetings and attendance are given in this Report.

Compliance Officer

The Company Secretary of the Company is the Compliance Officer as per the requirements of SEBI.

Complaints received/resolved**Investor Complaints status as on 31st March 2022:**

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 Dematerialization were pending for redressal as on 31st March 2022.

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

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
Meetings Held	6	4	1
<u>Name of the Directors:</u>			
Mr. Hiitesh Topiwaalla	6	-	1
Ms. Aartii Topiwaala	-	1	-
Mr. V.N. Mehta	6	4	1
Mr. Shishir B Desai	6	4	-

I. 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, organizational 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.

II. 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. 1.00 Lakhs.

Further, the remuneration paid/payable to Mr. Hiitesh Topiwaalla, Managing Director of the Company for the financial year ended 31.03.2022 are as follows:

Particular	Amount (Rupees in Lakhs)
Basic Salary	83.00
Allowances & Perquisites	-
Commission	-
Total	83.00

Note: The above is net remuneration for FY 2021-22.

III. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

IV. SHAREHOLDING OF DIRECTORS

Details of the share of the Company held by Non-Executive Directors as on March 31, 2022:

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%

V. CEO/CFOCERTIFICATION

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

1. We have reviewed financial statements and the cash flow statement of Paramount Cosmetics (India) Limited for the year ended 31st March, 2022 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
 - (i) there are no significant changes in internal control over financial reporting during the year;
 - (ii) there are no significant changes in accounting policies during the year; and
 - (iii) there are no instances of significant fraud of which we have become aware.

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

Sd/-
Hiitesh Topiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022

Sd/-
Rajnish Matta
Chief Financial Officer
Place: Bangalore
Date: 24.08.2022

VI. GENERAL BODY MEETING

The details of the Annual General Meetings held during last three year immediately before March 31, 2022 is given in Table below:

Year	Date	Venue	Time	No. of Special Resolutions Passed at AGM
2020-21	September 30, 2021	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	2.00 pm	01
2019-20	December 18, 2020	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	2.30 pm	Nil
2018-19	September 30, 2019	A-1/2211, III Phase, GIDC, Vapi 396195	11.00 am	04

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.

VII. DISCLOSURES

- (i) **Details of Non-Compliance by the Company:** The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.
During the financial year 21-22, penalty was imposed by Bombay Stock Exchange for Non-Compliance in the constitution of Audit Committee, Nomination & Remuneration Committee & Stakeholder Relationship Committee.
- (ii) **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.
- (iii) **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.
- (iv) **Compliance with Mandatory requirements:** The Company has complied with all the mandatory requirements.
- (v) **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, 2022
2012-13	Final Dividend	6%	30/09/2013	05/12/2020	2,34,906.60
2013-14	Final Dividend	6%	30/09/2014	05/12/2021	2,57,763.80
2014-15	Final Dividend	6%	30/09/2015	05/12/2022	2,67,101.40
2015-16	Final Dividend	5%	30/09/2016	05/12/2023	2,49,899.00
2016-17	Final Dividend	5%	29/09/2017	04/12/2024	2,50,367.00

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.

VIII. 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

IX. GENERAL SHAREHOLDER INFORMATION

AGM	PARTICULARS
Date	: September 30, 2022
Time	: 11:00 a.m.
Venue	: AGM will be held virtually through VC /OAVM due to Covid-19 pandemic.'

2. **FINANCIAL YEAR:** 01st April, 2021 to 31st March, 2022

3. **DATE OF BOOK CLOSURE:**

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022 (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 COSMETICS (INDIA) LTD	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 2021-22 on Bombay Stock Exchange Limited are as under:

Month	High Price	Low Price	Close Price	Volume (No. of Shares)
Apr-21	17.00	14.00	17.00	3,098
May-21	21.70	15.55	21.40	5,477
Jun-21	20.35	15.70	19.50	19,820
Jul-21	31.70	19.10	31.70	45,807
Aug-21	36.60	28.20	30.00	36,845
Sep-21	33.05	27.65	30.75	26,524
Oct-21	32.70	25.50	26.00	24,009
Nov-21	32.60	24.70	28.50	20,896
Dec-21	35.50	26.35	30.55	64,029
Jan-22	39.65	28.00	35.55	1,06,742
Feb-22	53.90	30.00	47.40	1,72,641
Mar-22	51.45	42.35	46.40	39,771

(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@bfsf.co.in; manager_rta@bfsf.co.in, cs_rta@bfsf.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 31ST MARCH 2022:

Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
01-500	5403	96.13	656858	13.54
501-1000	138	2.46	102682	2.11
1001-2000	45	0.80	63958	1.32
2001-3000	16	0.28	40132	0.83
3001-4000	6	0.11	21026	0.43
4001-5000	2	0.04	9369	0.19
5001-10000	2	0.04	13727	0.28
10001-50000	3	0.05	51095	1.05
50001 and above	5	0.09	3896153	80.25
Total	5620	100.00	4855000	100.00

Shareholding Pattern as on 31st March 2022

Category	No. Of Shares Held	Percentage of Shareholding
Promoter & Promotor Group	36,30,740	74.78
Financial Institutions / Banks	1400	00.03
Bodies Corporate	12,280	00.25
Mutual Funds and Unit Trust of India	0	00.00
Others	12,10,580	24.94
Total	48,55,000	100.00

9. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2022:

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).

4367091 Ordinary Shares of the Company representing 89.95% of the Company's share capital is dematerialized as on 31st March, 2022

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	:	Plot No. 165/B-15 & 16, 2nd Phase, GIDC VAPI Valsad GJ 396195 IN
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 Plot No. 165/B-15 & 16, 2nd Phase, GIDC Vapi- 396195, Valsad, Gujarat Email: compliance.officer@parammount.com

**For and on behalf of the Board of Directors
Paramount Cosmetics (India) Limited**

Sd/-
Hiitesh Topiiwaalla
Managing Director
DIN: 01603345
Place: Bangalore
Date: 24.08.2022

Sd/-
Vishwajeet Nalinkant Mehta
Director
DIN: 02800993
Place: Bangalore
Date: 24.08.2022

INDEPENDENT AUDITORS' REPORT

To the Members of
PARAMOUNT COSMETICS (INDIA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PARAMOUNT COSMETICS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A) Provisions for taxation, litigation, and other significant provisions

- (i) Accrual for tax and other contingencies requires the Management to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues, and other eventualities arising in the regular course of business.
- (ii) The key judgement lies in the estimation of provisions where they may differ from the future obligations. By nature, provision is difficult to estimate and includes many variables. Additionally, depending on timing, there is a risk that costs could be provided inappropriately that are not yet committed.

How the matter was addressed in Our audit our audit procedures included:

- (i) We tested the effectiveness of controls around the recognition of provisions.

- (ii) We used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations, and related correspondence with the authorities.
- (iii) We challenged the assumptions and critical judgements made by management which impacted their estimate of the provisions required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias.
- (iv) We discussed the status in respect of significant provisions with the Company's internal tax and legal team.
- (v) We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

B) Assessment of contingent liabilities relating to litigations and claims

- (i) The Company is periodically subject to challenges / scrutiny on range of matters relating to direct tax, indirect tax, and transfer pricing arrangements.
- (ii) Further, potential exposures may also arise from general legal proceedings, environmental issues etc. in the normal course of business.
- (iii) Assessment of contingent liabilities disclosure requires Management to make judgements and estimates in relation to the issues and exposures. Whether the liability is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as liability, is inherently subjective.

How the matter was addressed in our audit Our audit procedures included:

- (i) We tested the effectiveness of controls around the recording and re-assessment of contingent liabilities.
- (ii) We used our subject matter experts to assess the value of material contingent liabilities in light of the nature of exposures, applicable regulations, and related correspondence with the authorities.
- (iii) We discussed the status and potential exposures in respect of significant litigation and claims with the Company's internal legal team including their views on the likely outcome of each litigation and claim and the magnitude of potential exposure and sighted any relevant opinions given by the Company's advisors.
- (iv) We assessed the adequacy of disclosures made.
- (v) We discussed the status in respect of significant provisions with the Company's internal tax and legal team.
- (vi) We performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for 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. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

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 Section 143(3) of the Act, based on our audit 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 as far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2022 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A**'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

2. 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 has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iv There were the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the FY 2012-13 & 2013-14 Amount of Rs.4.93 lakhs.

v

(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

3. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, PARY & CO.,
Chartered Accountants
Firm Reg. No. 007288C

Sd/-
Rakesh Kumar Jain

Place: Surat
Date: 27-05-2022

Partner
Membership No: 106109
UDIN: 22106109AJTPCL3153

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of PARAMOUNT COSMETICS (INDIA) LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**Opinion**

We have audited the internal financial controls over financial reporting of PARAMOUNT COSMETICS (INDIA) LIMITED ("the company) as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are 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 respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For, PARY & CO.,
Chartered Accountants
Firm Reg. No. 007288C

Sd/-
Rakesh Kumar Jain

Partner
Membership No: 106109
UDIN: 22106109AJTPCL3153

Place: Surat
Date : 27-05-2022

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 4 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of PARAMOUNT COSMETICS (INDIA) LIMITED of even date)

i. In respect of the Company’s fixed assets:

- (a) The company is in the process of updating the records to show full particulars, including quantitative details and situation of its Property, Plant and Equipment.
- (b) The company is the process of updating records to show full particulars of intangible assets.
- (c) As stated to us the company is in the process of updating the records of Property, Plant and Equipment and physical verification of Property, Plant and Equipment by the management is in the process of setting up proper procedures depending on the types of assets. During the year physical verification has been made for the part of the assets and no discrepancies have been reported.
- (d) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (e) As per information provided to us the Company has not revalued its Property, Plant and Equipment (including, right to use the asset) or intangible asset or both during the year.
- (f) As stated to us no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of its inventory:

- (a) As informed to us, the inventory has been physically verified by the management during the year. The frequency of such verification is reasonable, and procedures and coverage followed by the management is appropriate. No material discrepancies were noticed on such verification between the physical stock and the book records.
- (b) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of rupees five crore from banks on the security of the current assets. The quarterly returns or statements filed by the company with banks or financial institutions are not in agreement with the books of account of the Company, and details of variances and reasons for such variances are disclosed in the note No. 39 of the Financial Statements

iii. In Respect of Investments, Guarantee and Security or Loans and Advances given by the Company

During the year the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties as such reporting under this clause and sub clauses does not arise.

iv. Loan to directors

In our opinion and according to the information and explanations given to us, the Company has not given loans, made investments, given guarantees, and provided securities which are covered by the provisions of Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.

v. Deposits

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for contravention of these sections or any other relevant provision(s) of the Act and the relevant rules.

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

According to the record of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other Statutory dues to the appropriate authorities, have not been deposited regularly with the appropriate authorities. According to the information and explanations given to us there were outstanding statutory dues as on March 31, 2022, for a period of more than six months from the date they become payable.

Name of the Statute	Nature of Dues	Forum where Amount is Pending	Amount In Lakhs
Employee State Insurance Act 1948	ESI Monthly Statutory Dues	Employee State Insurance Corporation	25.04
Professional Tax Act 1987	PT Monthly Statutory Dues	Professional Tax	1.64
Income Tax Act 1961	Income Tax payment Due	Income Tax Department	96.8
Income Tax Act 1961	TDS Monthly Statutory Dues and Interest	Income Tax Department	36.25
Income Tax Act 1961	Interest on Income Tax	Income Tax Department	34.78

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:

S.No	Name of the Statue	Nature of Dues	Forum Where dispute is pending	Date of Order	Due Amount In lakhs
1	SEBI (LODR Regulations 2015)	Non-Compliance of Regulations	BSE India	01-09-2021	21.28

viii. Un Recorded Income

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions which were not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), as such reporting under this clause does not arise.

ix. Repayment Of Borrowings

- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- According to the information and explanations given to us the company has not been declared as willful defaulter by any bank or financial institution or other lender.
- According to the information and explanations given to us the company term loans were applied for the purpose for which the loans were obtained.
- In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.

- (e) the company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries, or joint ventures, hence the reporting under this clause does not arise
- (f) According to the information and explanations given to us the company the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies,

x. Funds raised and Utilization

- a. In our opinion and according to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer (including debt instruments) during the current financial year as such reporting under this clause and sub clause does not arise.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under this sub clause Order is not applicable to the Company.

xi. Reporting of Fraud and Whistleblower complaints

- (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There were no whistle-blower complaints received by the Company during the audit period.

xii. Nidhi Company

The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. Compliance of transaction with Related Parties

In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

xiv. Internal Audit

- (a) The company Does not have an internal audit system commensurate with the size and nature of its business.
- (b) The company has not appointed internal auditor.

xv. Non-Cash Transaction with Directors

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. Register under RBI Act 1934

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash Losses

The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. Resignation Of Statutory Auditors

There has been no resignation of auditor during the reporting period as such reporting under this clause does not arise.

xix. Material Uncertainty on Meeting Liabilities

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. Transfer of Fund Specified under schedule VII of the Companies Act 2013

The company does not come with in the preview of Sec 135 hence reporting under this clause does not arise.

xxi. As the company is preparing standard alone financials statement the reporting under this clause does not arise.

For, PARY & CO.,
Chartered Accountants
Firm Reg. No. 007288C

Sd/-
Rakesh Kumar Jain

Partner
Membership No: 106109
UDIN: 22106109AJTPCL3153

Place: Surat
Date : 27-05-2022

PARAMOUNT COSMETICS (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2022

(Rupees in Lakhs)

PARTICULARS	Note No.	As At 31st March, 2022	As At 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	640.04	726.92
Other Intangible Assets	5	1002.81	1003.75
Financial assets			
- Investments`	6	0.19	0.19
Deferred tax assets (Net)	7	41.75	44.05
Other non-current assets	8	594.59	596.79
Inventories	9	1484.79	1631.51
Financial assets			
- Trade Receivables	10	660.44	605.23
- Cash and cash equivalents	11	54.98	41.03
- Bank Balances other than above	12	29.19	29.69
- Current loans and advances	13	69.99	135.95
-Other current assets	14	5.37	24.26
TOTAL ASSETS		4584.14	4839.37
EQUITY AND LIABILITIES			
Equity			
-Equity Share capital	15	485.50	485.50
-Other equity	16	1491.82	1464.66
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Non- Current Borrowings	17	658.45	522.51
- Other Non-Current Liabilities	18	146.01	138.01
Non-Current provisions	19	59.87	73.61
Financial liabilities			
Financial Liabilities			
- Current Borrowings	20	640.71	1043.41
- Trade payables	21		
(i) Total outstanding dues of micro enterprises and small enterprises		110.34	85.71
(ii) Total outstanding dues of creditors other than micro enterprises & small enterprises		204.83	257.20
- Other Financial Liabilities	22	170.33	172.55
Other current liabilities	23	428.37	421.06
Short Term Provisions	24	80.79	74.92
Current Tax Liabilities (net)	25	107.12	100.23
TOTAL EQUITY AND LIABILITIES		4584.14	4839.37

For and on behalf of Board
Paramount Cosmetics (India) Limited

Sd/-

Hiitesh Topiiwaalla
Managing Director
DIN:01603345

Sd/-

Vishwajeet N Mehta
Director
DIN:02800993

Sd/-

Rajnish Matta
Chief Financial Officer
Date: 27.05.2022
Place: Bangalore

Sd/-

Hena Shah
Company Secretary
Date: 27.05.2022
Place: Bangalore

As per our report of even date

For PARY & CO
Chartered Accountants
FRN: 007288C

Sd/-

RAKESH KUMAR JAIN
Partner
Membership Number 106109
UDIN: 22106109AJTPCL3153
Date: 27.05.2022
Place: Bangalore

PARAMOUNT COSMETICS (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rupees in Lakhs)

	PARTICULARS	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from operations	26	2018.49	1750.40
II	Other income	27	456.03	116.59
III	Total Revenue(I+II)		2474.52	1866.99
IV	Expenses:			
	Cost of Material Consumed	28	740.17	363.13
	Purchases of Stock-in-trade	29	-	53.79
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	30	(44.10)	(54.77)
	Employee benefit expense	31	573.78	493.70
	Finance Costs	32	235.37	231.06
	Depreciation and amortization expense	5	95.19	106.36
	Other expenses	33	840.64	635.53
	Total expenses		2441.05	1828.80
	Profit before exceptional and extraordinary items and tax (III - IV)		33.47	38.19
V	Exceptional Item		-	-
VI	Profit before extraordinary items and tax (V - VI)		33.47	38.19
VIII	Extraordinary items		-	-
IX	Profit before tax (VII - VIII)		33.47	38.19
X	Tax expense:			
(1)	Current tax		11.58	-
	Tax for earlier years		-	0.75
	Less: MAT Credit Entitlement		-	-
	Net Current Tax		11.58	0.75
(2)	Deferred Tax	7	2.31	3.15
XI	Profit/ (loss) for the perios		19.58	34.29
XII	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss	34	7.58	20.81
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total -Other comprehensive income		7.58	20.81
XIII	Total comprehensive income for the year [(XI)+(XII)]		27.16	55.10
X	Earnings per equity share of Rs. 10/- each			
(1)	Basic		0.40	0.71
(2)	Diluted		0.40	0.71

For and on behalf of Board
Paramount Cosmetics (India) Limited

Sd/-

Hiitesh Topiwaalla
Managing Director
DIN:01603345

Sd/-

Vishwajeet N Mehta
Director
DIN:02800993

Sd/-

Rajnish Matta
Chief Financial Officer
Date: 27.05.2022
Place: Bangalore

Sd/-

Hena Shah
Company Secretary
Date: 27.05.2022
Place: Bangalore

As per our report of even date

For PARY & CO
Chartered Accountants
FRN: 007288C

Sd/-

RAKESH KUMAR JAIN
Partner
Membership Number 106109
UDIN: 22106109AJTPCL3153
Date: 27.05.2022
Place: Bangalore

PARAMOUNT COSMETICS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Rupees in Lakhs)

PARTICULARS	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Cash flows from operating activities		
Net profit before tax	19.58	34.29
Adjustments for non-cash items:		
Depreciation /Amortization	95.19	106.36
Loss of Sale of Fixed Assets	-	-
Profit on sale of Fixed Assets	(440.74)	-
Interest expenses	235.37	231.06
Rental Income	-	-
Interest Income	(1.05)	(14.90)
Provision for Gratuity	0.80	(9.37)
Provision of Income Tax	13.90	3.90
Operating capital before working capital changes:	(76.95)	351.33
Movements in working capital		
(Decrease) / Increase in Trade Payables	(27.75)	81.09
(Decrease) / Increase Other Financial liabilities	(2.21)	(9.29)
(Decrease) / Increase in other current liabilities	7.32	(198.42)
(Decrease) / Increase in short-term provisions	5.86	31.39
(Decrease) / Increase in Non Current Provisions	(13.74)	(1.34)
(Decrease) / Increase in Other Non current liabilities	8.00	(2.50)
(Decrease) / Increase in Current Tax Liability	6.90	(23.22)
Decrease / (Increase) in Other Non-current assets	2.21	3.18
Decrease / (Increase) in inventories	146.73	(59.59)
Decrease / (Increase) in trade receivables	(55.21)	60.15
Decrease / (Increase) in Other Bank balances	0.50	21.23
Decrease / (Increase) in Current Loans and Advances	65.79	(50.36)
Decrease / (Increase) in Other current assets	18.88	22.97
Cash generated from / (used in) operations	86.31	226.63
Direct Tax Paid (Net of Refunds)	4.66	-
Net cash flow from / (used in) operating activities(A)	81.65	226.63
Cash flows from investing activities		
Purchase of fixed assets	(26.63)	(14.21)
Sale of Fixed Assets	460.00	-
Investments	-	0.24
Interest Income	1.05	14.90
Net cash flow from / (used in) investing activities (B)	434.42	0.93
Cash flows from financing activities		
Increase (Decrease) in Long Term Borrowings	135.94	75.81
Increase (Decrease) in Working Capital Borrowings	(402.70)	(67.18)
Restatement of compound financial instrument	-	-
Interest Expense	(235.37)	(231.06)
Net cash flow from / (used in) financing activities (C)	(502.13)	(222.44)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	13.95	5.13
Cash and cash equivalents at the beginning of the year	41.03	35.91
Cash and cash equivalents at the end of the period	54.98	41.03
Components of Cash and Cash Equivalents		
Cash on Hand	0.24	7.55
With Banks	54.74	33.48
Total Cash and Cash Equivalents	54.98	41.03

For and on behalf of Board
Paramount Cosmetics (India) Limited

Sd/-
Hiitesh Topiiwaalla
Managing Director
DIN:01603345

Sd/-
Vishwajeet N Mehta
Director
DIN:02800993

Sd/-
Rajnish Matta
Chief Financial Officer
Date: 27.05.2022
Place: Bangalore

Sd/-
Hena Shah
Company Secretary
Date: 27.05.2022
Place: Bangalore

As per our report of even date

For PARY & CO
Chartered Accountants
FRN: 007288C

Sd/-

RAKESH KUMAR JAIN
Partner
Membership Number 106109
UDIN: 22106109AJTPCL3153
Date: 27.05.2022
Place: Bangalore

x

Notes forming part of the financial statements as at March 31, 2022

Note: 6

Investments

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Trade Investment		
Investment in Equity Instruments	0.19	0.19
Total Investments	0.19	0.19

Note: 7

Deferred Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Related to Disallowances u/s 43B & 40A(7) of Income Tax Act. 1961	16.08	17.48
Related to Property, Plant & Equipments	25.67	26.57
Total Deferred Taxes	41.75	44.05

Note: 8

Other Non Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Considered Good		
Security Deposits with Related Parties	575.00	575.00
Security Deposits	8.59	10.79
VAT Credits including Sales Tax Deposits	11.00	11.00
Total Other non-current assets	594.59	596.79

Note: 9

Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	93.73	284.56
Finished goods	1255.06	1,150.34
Stores, Spares, Consumables etc	136.00	196.61
Total Inventories	1484.79	1,631.51

Note: 10**Trade receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables- Unsecured		
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Un Secured;	-	-
- Less than 6 months	-	-
- 6 months to 1 year	55.21	-
-More than one year	-	-
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
1- 2 years	-	605.23
2-3 years	605.23	-
More Than 3 years	-	-
Less:-Provision For Doubt Full Debts	-	-
(d) Trade Receivables - credit impaired	-	-
<u>Other</u>	-	-
- Considered good	-	-
- Considered doubtful	-	-
Total Trade Receivables	660.44	605.23

Note: 11**Cash and Cash Equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.24	7.54
Balances with banks-		
- In current account	54.74	33.49
Total Cash and bank balance	54.98	41.03

Note: 12**Bank Balances Other Than Above**

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed deposit with Banks LC Margin money	16.59	14.88
In unclaimed Dividend accounts	12.60	14.81
Total Other bank balances	29.19	29.69

Note: 13**Current Loans & Advances**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Considered Good		
Loans & Advances to Employees	29.91	50.66
Loans & Advances to Related Parties	35.98	-
Balance with Govt. Authorities	0.60	81.79
Advances given to Suppliers of Goods	3.50	3.50
Advances to Expenses Creditors	-	-
Total Current Loans & Advances	69.99	135.95

Note: 14**Other Current Assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Advances other than Capital Advances		
Interest accrued on Fixed Deposit	0.00	16.07
Prepaid Expenses	2.88	5.70
Others	2.49	2.49
Total Other Current Assets	5.37	24.26

Note: 15**Share Capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
(a) Authorised Share Capital				
Equity shares of 10 each with voting rights	50,00,000	500.00	50,00,000	500.00
Total - Authorised Share Capital	50,00,000	500.00	50,00,000	500.00
(b) Issued, subscribed and paid-up share capital comprises:				
(i) Issued Share Capital				
Equity shares of 10 each with voting rights	48,87,150	488.72	48,87,150	488.72
(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
(iii) Equity Shares Reserved for Future Allotment				
	30,500	3.05	30,500	3.05

Equity shares of 10 each with voting rights				
(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	48,87,150	488.72	48,87,150	488.72
Additions				
(a) Fresh Issue	-	-	-	-
(b) Bonus Share	-	-	-	-
(c) Reserved for Future Allotment	30,500	3.05	30,500	3.05
Deletions	1,650	0.17	1,650	0.17
Closing	48,55,000	485.50	48,55,000	485.50
(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, 2022		As at March 31, 2021	
	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	25,62,990	52.79%	25,62,990	52.79%
Paramount Kumkum Pvt. Ltd	10,65,150	21.94%	10,65,150	21.94%
Total	36,28,140	74.73%	36,28,140	74.73%
(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.				
Promoter Name	No of shares held By the Promotor	% of total Shares at the Beginning Of	% of total Shares at End Of the Year	% change during the year

			the Year		
	beginning of the year	at the end of the year			
Hiitesh Topiwaalla	25,62,990	25,62,990	52.79%	52.79%	0%
Aartii Topiwaala	2,600	2,600	0.05%	0.05%	0%
Paramount Kumkum Private Limited	10,65,150	10,65,150	21.94%	21.94%	0%

Note:16**Other Equity**

Particulars	Retained earnings	Security Premium	Capital Reserve	Other Comprehensive Income	Total Other Equity
Balance as on 01.04.2021	399.00	1085.25	0.31	(19.90)	1464.66
Profit for the year	19.58	0.00	0.00	0.00	19.58
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00
Other comprehensive income	0.00	0.00	0.00	7.58	7.58
Total Comprehensive income for the year	19.58	0.00	0.00	7.58	27.16
Dividend	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
Balance as on 31.03.2022	418.58	1085.25	0.31	(12.32)	1491.82

Note: 17**Non Current Borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Bond/Debentures		
Term Loans		
- From Bank*	422.32	272.17
- From Other Parties	11.46	30.41
Unsecured		
Trade Deposits/Advances	-	-
Loans and Advances From Related Parties	224.67	219.93
Total Non Current Borrowings	658.45	522.51

Details of Security *

Non-current borrowings comprises of the Term Loan and Working Capital Term Loan (WCTL) I and II under GECL

i. Restructured Term Loan by IDBI Bank:

Primary Security: First charge on all assets created under expansion which includes land and building bearing Sy. No. 124/3B measuring 2 acres 4 cents situated at Chennapalli village, Hosur taluk, Krishnagiri Dist, Tamilnadu.

Collateral Security: 1. Equitable mortgage of 3 flat no. 902, 903 and 904 with built up area of 945 Sq Ft at Prestige Meridian, 29, M G Road, Bangalore owned by Paramount Kumkum Private Limited. 2. Equitable mortgage of 400 Sq Mt & Building on 320 Sq Ft thereon located at plot no. 168/244, Dabhel village, Daman owned by the Company. 3. Equitable mortgage of Industrial plot of land measuring 328 Sq Mt bearing no. 168/245 along with built up area of 276.80 Sq Mt located at village Dabhel, Daman Dist owned by the Company. 4. Exclusive charge Plant & Machinery and other Fixed Assets which are not funded by IDBI Bank.

Guarantee: Irrevocable and unconditional personal guarantee of Mr. Hiitesh Topiwaalla, Managing Director of the Company and Corporate Guarantee of Paramount Kumkum Private Limited.

Rate of Interest: RLLR(Y) + 210 bps p.a. which is 9.80% p.a.

Repayment Terms: Moratorium of 12 months from implementation of restructuring, 107 EMI of 2.31 Lakh and 108th EMI of Rs. 3.04 lakh

(ii) WCTL I and II under GECL by IDBI Bank:

Security: Same as mentioned in Term Loan and Cash Credit Facility on second charge basis.

Guarantee: Compulsorily covered under Guaranteed emergency credit line (GECL) under NCTGC.

Repayment: For WCTL I, moratorium of 12 months, 72 EMI of Rs. 7.48 lakh and 36th EMI of Rs. 7.38 lakh. For WCTL II, first 12 EMI of Rs. 2 lakh, next 12

EMI of Rs. 2.50 lakh, next 12 EMI of Rs. 3 lakh, next 35 EMI of Rs. 3.50 lakh and last EMI of Rs. 3.02 lakh.

Rate of Interest: For WCTL I, RLLR(Y) + 100 bps p.a., effective rate 8.10% p.a. with quarterly reset and for WCTL II, RLLR(Y) + 10 bps p.a. + 0.25%, effective rate 8.05% p.a. for first 2 years.

(iii) Unsecured loans from related parties are interest free and are expected to be repaid after 31/03/2023

Note: 18**Other Non Current Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Subsidy Received (Deferred Income)	16.00	18.00
Trade Deposits	130.01	120.01
Total Non Current Provisions	146.01	138.01

Note: 19**Non Current Provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity	28.23	27.43
Leave Encashment	31.64	46.18
Total Non Current Provisions	59.87	73.61

Note: 20

Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loans repayable on demand		
- From Bank	-	-
- Working capital loan	640.71	1,043.41
Total Current Borrowings	640.71	1,043.41

Details of Security

Cash Credit (FB and NFB) is secured by exclusive charge by way of hypothecation of all current assets (present and future) of the Company and first charge on all assets created under expansion which includes land and building bearing Sy. No. 124/3B measuring 2 acres 4 cents situated at Chennapalli village, Hosur taluk, Krishnagiri Dist, Tamilnadu and by way of collateral securities and personal and corporate guarantee as mentioned in the Term Loan. Margin on paid stock is 25% and receivables up to 90 days with 40% margin. Letter of Credit - ILC/ FLC and BG have cash margin of 15%. Rate of interest is RLLR (Y) + 185 bps p.a. i.e. 9.55% p.a.

Note : 21**Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) MSME		
- Less than One Year	104.46	85.71
- 1-2 years	5.88	-
(ii) Others		
- Less than One Year	114.79	257.20
- 1-2 years	90.04	-
- 2-3 years	-	
- More than 3 years		
(iii) Disputed dues -MSME		
- Less than One Year		
- 1-2 years		
- 2-3 years		
- More than 3 years		
(iv) Disputed dues -Others		
- Less than One Year		
- 1-2 years		
- 2-3 years		
- More than 3 years		
Total Trade Payables	315.17	342.91

Note :22**Other Current Financial Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021

Current Maturities of long term debt	157.73	157.74
Unclaimed Dividend	12.60	14.81
Total Other Current Financial Liabilities	170.33	172.55

Note: 23**Other Current Liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	48.09	114.16
Payable for Expenses	380.28	306.90
Total Other Current Liabilities	428.37	421.06

Note: 24**Short-term Provision**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee benefits		
Bonus	42.01	36.74
Gratuity	0.92	1.04
Leave encashment	3.08	2.36
Interest on IT (Earler period)	34.79	34.78
Total Short-term provisions	80.79	74.92

Note: 25**Current Tax Liabilities (Net)**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Taxation	112.32	100.74
Less : Advance Income tax (Inc TDS receivable)	5.19	0.51
Total Current Tax Liabilities (Net)	107.12	100.23

Note : 26**Revenue from operations**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products	2018.49	1,750.40
Total	2018.49	1,750.40

Note : 27**Other Income**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income	1.05	14.90
Profit on Sale Of Fixed Asset	440.74	-
Sale of Scrap	2.81	0.52
Other Non Operating Income	11.43	101.17
Total	456.03	116.59

Note : 28**Cost of Raw Material Consumed**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock of Raw Material	284.56	279.75
Add:- Purchases (Net)	473.11	309.89
Add:- Freight Charges	10.77	6.61
Add:- Clearing & Forwarding Charges	11.18	8.17
Add:- Custom Duty	54.28	43.27
Less:- Closing Stock of Raw Material	93.73	284.56
Total	740.17	363.13

Note : 29**Purchases of stock-in-trade**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of traded goods (Net)	-	53.79
Total	-	53.79

Note : 30**Changes in inventories of finished goods, work-in-progress and Stock- in-Trade**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Inventory		
Finished Goods	1,150.34	1,084.50
Packaged Goods	196.61	207.68
Closing Inventory		
Finished Goods	1,255.05	1,150.34
Stores, Spares, Consumables etc	136.00	196.61
Net (Increase)/Decrease	(44.10)	(54.77)

Note : 31**Employee benefits expense**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries to Directors	83.00	69.10
Salaries and Wages - Others	457.07	406.88
Contribution to Provident Fund	7.24	2.47
Contribution to ESI Fund	2.66	1.55
Workmen & Staff Welfare Expenses	6.81	5.81
Bonus	8.74	6.40
Gratuity	8.27	1.50
Total	573.78	493.70

Note : 32**Finance costs**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses		
Bank - on borrowings	170.41	177.91
Directors - on borrowings	-	-
Others - on borrowings	24.76	12.80
Others - delayed payment of IT	36.25	34.78

Other borrowing Cost	3.95	5.57
Total	235.37	231.06

Note : 33**Other expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing Expenses (A)		
Consumable Stores & Spares	0.56	1.12
Labour Charges	82.83	56.88
Power and Fuel	15.10	16.85
Repairs and maintenance on building	4.79	0.46
Repairs and maintenance on machinery	7.84	4.15
Total (A)	111.12	79.47
Selling & Distribution Expenses (B)		
Sales Promotion Expenses	119.11	86.60
MES Expenses	39.88	72.29
CFA Commission & Reimbursements	68.48	54.38
Carriage Outwards	26.08	10.89
Advertisement expenses	61.99	20.68
Royalty	65.80	52.05
Total (B)	381.35	296.89
Establishment Expenses (C)		
Rent	36.10	34.37
Rates and Taxes	32.96	31.09
Net Loss on foreign currency transactions and translations	9.45	12.35
Brokerage Expenses	5.00	-
Travelling and conveyance	6.16	13.10
Legal and professional	68.39	65.29
Repair & Maintenance Other	49.48	16.88
Recruitment Charges	4.41	13.55
Insurance	10.50	9.11
Donation	0.30	-
Payment Auditors	3.63	3.50
Communication Expenses	11.28	8.33
Printing and Stationery	1.44	2.01
Sundry Balances Written off	19.93	-

Other Expenses	74.69	-
Miscellaneous expenses	14.45	49.58
Total (C)	348.17	259.16
Total (A+B+C)	840.64	635.53

Note : 34

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be Reclassified to Profit and Loss Account	7.58	20.81
Total	7.58	20.81

Note : 35

Particulars	2021-22	2020-21
Foreign Currency Income & Expenditure		
- Value of Imports on CIF Basis in respect of		
Raw Materials and Stock-in-Trade	149.43	107.88
The company has no non-resident share holder, 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	40.53	7.26

Earnings Per Share (EPS)		
Particulars	2021-22	2020-21
Net Profit/(Loss) after Tax as per Profit and Loss Statement attributable to Equity Shareholders	19.57	34.29
Weighted Average number of Equity Shares used as denominator for calculating EPS	48.55	48.55
Basic and Diluted Earnings per Share	0.40	0.71
Face Value per Equity Share	10	10

Contingent Liabilities and Commitments		
Particulars	2021-22	2020-21
<u>Contingent liabilities</u>		
Letter of Credit	51.92	18.84
Other disputed claims	35.28	2.97
Particulars		
Director Remuneration	83.00	69.10

Payments to Auditors	2021-22	2020-21
Audit fees	3.63	3.50
Tax Audit fees	1.00	1.00

Regrouping & Reclassification

The previous year figures have been regrouped/reclassified wherever necessary to facilitate comparison with current year's figures.

Balance Confirmation from Parties

Balances in parties' accounts are subject to confirmation and reconciliation.

AS-18 Related Party Disclosure

Note : 36

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:

	Description of Relationship	Names of the Related Parties
[a]	Key Management Personnel (KMP)	Hiitesh Topiwaalla Mrs Aartii Topiwaala Mr Shishir Babubhai Desai Mr. Vishwajeet Nalinkat Mehta Mrs. Hena Shah(CS) Mr. Rajnish Matta(CFO) Mr. Rajesh Bhan(CEO) (Resigned W.e.f 02 nd May, 2022)
[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 Impres Health Private Limited Farmous Foods Private Limited Sepio Innovations Private Limited Aiyon Innovations Private Limited Aiyon Products Private Limited Infectionsshield Biotech Private Limited Ultranutri India Private Limited

Nature of Transaction with Related Parties

i]	Loans Accepted	2021-22	2020-21
	Hiitesh Topiiwaalla	-	52.56
	Paramount Kum Kum Pvt Ltd	4.74	-
[ii]	Loans and Advances -Repaid /Given	2021-22	2020-21
	Hiitesh Topiiwaalla	-	71.84
	Farmous Foods Private Limited	20.99	-
[iii]	Remuneration	2021-22	2020-21
	Hiitesh Topiiwaalla	83.00	69.10
[iv]	Rent Expenses / (Income)	2021-22	2020-21
	Paramount Kum Kum Pvt Ltd	32.95	25.40
[v]	Sales	2021-22	2020-21
	Infectionshield Biotech Private Limited	32.45	-
[vi]	Purchases	2021-22	2020-21
		-	-
[vii]	Outstanding Payable as at Year end	2021-22	2020-21
	Hiitesh Topiiwaalla	64.09	64.09
	Mrs Aartii Topiwaala	4.61	4.61
	Paramount Kum Kum Pvt Ltd	120.34	84.65
	Paramount Kum Kum Pvt Ltd-Loan	155.96	151.22
	Infectionshield Biotech Private Limited	0.00	28.4
	Farmous Foods Private Limited	0.33	0.33
[vii]	Outstanding Receivable as at Year end	2021-22	2020-21
	Paramount Kum Kum Pvt Ltd	720.17	720.17
	Infectionshield Biotech Private Limited	21.10	-
	Farmous Foods Private Limited	20.99	-
	Shingar Limited	14.99	14.99
[viii]	Security Deposit	2021-22	2020-21
	Paramount Kum Kum Pvt Ltd	575.00	575.00
[ix]	Royalty Fees	2021-22	2020-21
	Parcos Brands Private Limited	0.01	0.06
	Paramount Kum Kum Pvt Ltd	65.80	51.99
	Total	65.81	52.05

Notes forming part of the financial statements as at March 31, 2022

Note : 37 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-22	31-Mar-21
Present Value of Obligation as at the beginning	27.43	39.20
Interest Cost	1.93	2.73
Current Service Cost	6.45	6.34
Benefits Paid		
Actuarial (Gain) / Loss on the Obligation	(7.58)	(20.84)
Present Value of Obligation as at the end	28.23	27.43

[ii] Change in plan assets

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
Fair Value of Plan Assets as at the beginning	27.43	39.20
Expected Return on Plan Assets	8.38	9.07
Employer's Contributions		
Benefits Paid		
Actuarial Gain / (Loss) on the Plan Assets	(7.58)	(20.84)
Fair Value of Plan Assets as at the end	28.23	27.43

[iii] Funded status - Recognized in Balance Sheet

Particulars	For the period ending	
	31-Mar-21	31-Mar-20
Deficit of plan assets over obligations		-
Total - Deficit		-

[iv] Category of assets

Particulars	As on	
	31-Mar-21	31-Mar-20
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-22	31-Mar-21
Current Service Cost	6.45	6.34
Interest Cost	1.93	2.73
Expected Return on Plan Assets		
Net Actuarial (Gain) / Loss recognised in the period		
Others		
Expenses Recognised in statement of Profit and Loss	8.38	9.07

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 reference to Government of India bonds. If the return on plan asset is below this rate, it will create 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 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.9.89 Lakhs has been charged to the Statement of Profit and Loss in respect of Company contribution to provident fund and employees state insurance.

For and on behalf of Board
Paramount Cosmetics (India) Limited

Sd/-

Hiitesh Topiiwaalla
Managing Director
DIN:01603345

Sd/-

Vishwajeet N Mehta
Director
DIN:02800993

Sd/-

Rajnish Matta
Chief Financial Officer
Date: 27.05.2022
Place: Bangalore

Sd/-

Hena Shah
Company Secretary
Date: 27.05.2022
Place: Bangalore

As per our report of even date

For PARY & CO
Chartered Accountants
FRN: 007288C

Sd/-

RAKESH KUMAR JAIN
Partner
Membership Number 106109
UDIN: 22106109AJTPCL3153
Date: 27.05.2022
Place: Bangalore

Note : 38						Amount In Lakhs
Trade Payable additional disclosure as on 31-03-2022						
S.No	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a)	MSME	104.46	5.88	-	-	110.34
(b)	Others	114.79	90.04	-	-	204.83
(c)	Disputed Dues MSME	-	-	-	-	-
(d)	Disputed Dues Others	-	-	-	-	-
Total		219.25	95.92	-	-	315.17

Trade Receivables Ageing schedule as on 31-03-2022							
S.No	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6m - 1 year	1-2 Years	2-3 years	More than 3 years	Total
1	Undisputed Trade Receivable						
a	Considered Good	-	-	55.21	605.23	-	660.44
b	Considered Doubtful	-	-	-	-	-	-
2	Disputed Trade Receivable						
a	Considered Good	-	-	-	-	-	-
b	Considered Doubtful	-	-	-	-	-	-

Total	-	-	55.21	605.23	-	660.44
--------------	---	---	--------------	---------------	---	---------------

Note:As per the company Estimation trade receivables will recover 100% in the FY 2022-23 so provision not made during the FY 2021-22, if not in a position to recover the outstanding Amount from the Trade Receivables during the FY 2022-23 will make a provision as per the Revised Estimation for the FY 2022-23

Disclosure on Loans/ Advance to Directors/ KMP/ Related parties

S.No	Type of Borrower	Nature Of Relationship	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
A	Related Parties			
(a)	Farmous Foods Private Limited	Director is KMP Enterprises over which Directors have significant influence	20.99	3.27%
(b)	Paramount Kum Kum Pvt Ltd	Enterprises over which Directors have significant influence	575.00	89.72%
(c)	Shingar Limited	Enterprises over which Directors have significant influence	14.99	2.34%
	Total		610.98	95.33%

Note : 39
Comparative Statement of Quarterly returns of Current Assets Submitted to the Bank in relation to Books of Accounts

Particulars	Books	Statement to Bank	Variance	Period
Debtors	637.04	673.04	-36.00	Quarter-1
Inventory	1532.95	1532.95	0.00	Quarter-1
Debtors	646.76	646.76	0.00	Quarter-2
Inventory	1512.35	1587.39	-75.04	Quarter-2
Debtors	716.09	716.09	0.00	Quarter-3
Inventory	1477.26	1477.26	0.00	Quarter-3
Debtors	660.438	678.99	-18.55	Quarter-4
Inventory	1484.787	1519.78	-34.99	Quarter-4

Reason for difference in debtors Value:The Debtors /Creditors has been reclassified /Regrouped during the year, Which was not considered in the statement submitted to bank.

Reason for Difference in Inventory Value:

1.The Difference in the inventory valuation for the stock statement submitted to the Bank for Quarter 1 was due to the calculation/ totalling mistake in the stock statement.

2. At the End of Quarter 2 finished goods stock worth of Rs.75.04 lakhs and at the end of Quarter 4 finished goods stock worth of Rs.34.99 lakh was written off as the same has been obsolete. The obsolete inventory of Finished goods was not considered as obsolete/non moving and the value of the same was considered in the respective stock statements submitted to the Bank.

Note: 5

2021-22

Property, Plant and Equipment

Particulars	Land	Buildings	Plants and Equipments	Furniture, Fixtures and Electric Installations	Vehicles	Computers and Computer Equipment	Office Equipment	Total
COST as at								
at 1st April 2021	79.50	683.49	471.59	182.30	26.85	22.79	11.83	1,478.35
Additions	-	-	15.35	-	-	4.23	6.44	26.02
Deletions	6.75	28.56	-	-	-	-	-	35.31
at 31st March 2022	72.75	654.93	486.94	182.30	26.85	27.01	18.28	1,469.06
Depreciation and Impairment								
at 1st April 2021	-	266.09	297.24	142.23	21.67	13.73	10.47	751.43
Depreciation for the Year	-	39.65	32.59	10.37	1.62	6.81	2.60	93.64
Reversals during the Year	-	16.05	-	-	-	-	-	16.05
at 31st March 2022	-	289.69	329.83	152.60	23.29	20.53	13.07	829.02
Net Book Value as								
At 31-03-2022	72.75	365.24	157.11	29.70	3.56	6.48	5.21	640.04
At 31-03-2021	79.50	417.40	174.35	40.07	5.18	9.06	1.36	726.92

Other Intangible Assets

Note: 4

Particulars	Computer software	Copyrights, patents and other IPR	Total
COST as at			
at 1st April 2021	11,76,439	10,00,00,000	10,11,76,439
Additions	61,307	-	61,307
Deletions	-	-	-
at 31st March 2022	12,37,746	10,00,00,000	10,12,37,746
Amortisation and Impairment			
at 1st April 2021	8,01,848	-	8,01,848
Depreciation for the Year	1,54,582	-	1,54,582
Reversals during the Year	-	-	-
at 31st March 2022	9,56,430	-	9,56,430
Net Book Value as			
At 31-03-2022	2,81,316	10,00,00,000	10,02,81,316
At 31-03-2021	3,74,591	10,00,00,000	10,03,74,591

Note : 7

(Amount in Lakhs)

Components of Deferred Tax Asset/(Liability)						
Particulars	Opening Balance		Current Year Adjustment		Closing Balance	
	March 31, 2021				March 31, 2022	
	Amount	DTA/(DTL)	Amount	DT	Amount	DTA/(DTL)
Difference in Written Down Value	105.58	26.57	3.58	0.90	101.99	25.67
Book Losses						
Disallowance u/s 40 a(ia)						
Gratuity u/s 40A(7)	28.47	7.16	(0.68)	(0.17)	29.15	7.34
Current year		-		-		-
Reversal of Previous Year		-		-		-
Disallowance u/s 43B						
Leave Salary	40.99	10.32	6.27	1.58	34.72	8.74
Current year		-		-		-
Reversal of Previous Year		-		-		-
Preliminary expenses						
Current year		-	-	-	-	-
Reversal of Previous Year			-	-		-
Total	175.03	44.05	9.17	2.31	165.87	41.75

Notes forming part of the financial statements as at March 31, 2022

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

1 Corporate information

Paramount Cosmetics India Ltd("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 Plot No:165/B-15 &16,2nd Phase,G I D C, Vapi,District Valsad,Gujarat-396195

The Company Engaged in the Manufacture of Cosmetics Like Bindi,Kunkum,Kajal, and Other Products.

The Company has manufactring Facilities in Schoolagiri,Tamilnadu and Sells Primarily in India

The Financials Statements for the year Ended March 31 2022 were approved by the board of Directors and Authorised For issue on 27-05-2022

2 Basis Of Preparation And Measurement

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Indian Accounting Standards (Ind-AS) notified under the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS have been prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

2.2 Basis of preparation

Company maintains it's accounts on accrual basis following historical cost convention except for certain financial instruments which are measured at fair values. 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.

Income tax

"Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis

or simultaneously.

(ii) Deferred Tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 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 **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.

Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred

Investment properties are depreciated using written down value method over the useful lives. Investment properties - Building generally have a useful life of 30 years as per the Schedule II of the companies Act, 2013.

The fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference

between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

1) The Company's investment properties consists of commercial properties in India.

3.3 Investments

Non- Current Investment which is valued at cost as per IND AS 27.

3.4 Revenue Recognition

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers.

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.

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

3.5 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.

3.6 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.

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.

“Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Accordingly, it recognises the Right of use asset as well as Lease obligations considering the lease agreement”

3.7 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.

3.8 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.

3.9 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.

4.0 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.

4.1 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.

4.2 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.

4.3 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.

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.

**For and on behalf of Board
Paramount Cosmetics (India) Limited**

Sd/-

**Hiitesh Topiiwaalla
Managing Director
DIN:01603345**

Sd/-

**Rajnish Matta
Chief Financial
Officer**

**Date: 27.05.2022
Place: Bangalore**

Sd/-

**Vishwajeet N Mehta
Director
DIN:02800993**

Sd/-

**Hena Shah
Company Secretary**

**Date: 27.05.2022
Place: Bangalore**

As per our report of even date

**For PARY & CO
Chartered Accountants
FRN: 007288C**

Sd/-

**RAKESH KUMAR JAIN
Partner
Membership Number 106109
UDIN: 22106109AJTPCL3153
Date: 27.05.2022
Place: Bangalore**

PARAMOUNT COSMETICS (INDIA) LIMITED

CIN: L24240GJ1985PLC008282

Regd. Office: Plot No. 165/B-15 & 16, 2nd Phase G.I.D.C, Vapi, District Valsad, Gujarat - 396195

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

Tel: 080-25320870 / 71 / 25327357

Email : compliance.officer@parammount.com

website : www.parammount.com