

Date: 07.09.2023

To  
The Manager  
Department of Corporate Listing  
BSE Limited  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400 001

Dear Sirs,

**SUB: Copy of Annual Report.**

**Ref: Scrip Code-507970**

Pursuant to the provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the copy of Annual Report along with the notice of Thirty Eighth (38<sup>th</sup>) Annual General Meeting of the Company to be held at 11.00 AM on Friday, the 29<sup>th</sup> day of September, 2023 through Video Conference (VC) or Other Audio Visual Means (OAVM) as per the Companies Act, 2013.

Please take the documents on record and kindly treat this as compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours faithfully

Reshma M  
Company Secretary and Compliance Officer  
Membership No.:A33180  
Place: Bangalore

**PARAMOUNT COSMETICS (INDIA) LIMITED**

CIN: L24240GJ1985PLC008282

Regd. Office: Plot No. 165/B-15 & 16, 2<sup>nd</sup> 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@paramount.com / website : www.paramount.com





**PARAMOUNT**

Rising beyond imagination

**PARAMOUNT COSMETICS (INDIA) LIMITED**

**THIRTY EIGHTH ANNUAL REPORT 2022-2023**

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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

- Mr. Hiitesh Topiwaalla - Managing Director (DIN - 01603345)
- Ms. Aartii Topiwaala - Director (DIN - 03487105)
- Mr. Shishir B. Desai - Independent Director (DIN - 01453410) (Resigned w.e.f 04<sup>th</sup> November, 2022)
- Mr. V.N. Mehta - Independent Director (DIN: 02800993)
- Mr. Vishwaskumar Ashokkumar Sharma - Independent Director (DIN: 06716653) (Appointed w.e.f 14<sup>th</sup> November, 2022)

**CHIEF FINANCIAL OFFICER**

- Mr. Rajnish Matta

**BANKERS**

- IDBI Bank Limited

**REGISTRAR & SHARE TRANSFER AGENT**

- BgSE Financials Limited  
Stock Exchange Towers, No. 51, 1st Cross,  
J.C Road, Bangalore- 560 027 Ph: 080  
4132 9661  
Email: [rta\\_admin@bfsl.co.in](mailto:rta_admin@bfsl.co.in)  
[manager\\_rta@bfsl.co.in](mailto:manager_rta@bfsl.co.in)

**COMPLIANCE OFFICER & COMPANY SECRETARY**

- Mrs. Hena H Shah (until 19<sup>th</sup> April 2023)
- Mrs. Reshma Manjunath (w.e.f 15<sup>th</sup> May 2023)

**STATUTORY AUDITORS**

- M/s. PARY & Co., Chartered Accountants, Surat.

**REGISTERED OFFICE**

PLOT NO. 165/B-15 & 16, 2ND PHASE, GIDC VAPI  
Valsad GJ 396195 IN

**E-MAIL:**

[compliance.officer@parammount.com](mailto:compliance.officer@parammount.com)

**WEBSITE:**

[www.parammount.com](http://www.parammount.com)

**CIN:**

L24240GJ1985PLC008282

**CORPORATE OFFICE**

902-904, 9th Floor,  
Prestige Meridian-1,  
29, M. G. Road,  
Bangalore - 560 001  
Ph: +91 80 25320870/71  
Email: [compliance.officer@parammount.com](mailto:compliance.officer@parammount.com)



**NOTICE OF THE 38<sup>th</sup> ANNUAL GENERAL MEETING**

**Notice** is hereby given that the **38<sup>th</sup> Annual General Meeting** of the Members of **Paramount Cosmetics (India) Limited** (“the Company”) will be held on Friday, September 29, 2023 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 31<sup>st</sup> March, 2023 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 appoint a director in place of Mr. Hiitesh Topiiwaalla (DIN – 01603345), who retires by rotating and being eligible, offers himself for re-appointment.

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

**Sd/-  
Hiitesh Topiiwaalla  
Managing Director  
DIN: 01603345**

902-904, 9th Floor,  
Prestige Meridian-1, 29, M. G. Road,  
Bangalore - 560 001

Place: Bangalore  
Date: 04.09.2023

**NOTES**

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 5, 2022 (collectively "MCA Circulars"), permitted Companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 31, 2022, subject to compliance with various conditions mentioned therein. Similarly, SEBI vide Circular No. 79 dated May 12, 2020, Circular No. 11 dated January 15, 2021 and Circular No. 62 dated May 13, 2022 granted certain relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022. Further, MCA vide General Circular No. 10/2022 dated December 28, 2022, extended the option to conduct the AGM through VC till September 30, 2023. Similarly, SEBI vide Circular No. 4 dated January 5, 2023 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till September 30, 2023 subject to certain conditions. In compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 38<sup>th</sup> AGM of your Company is being convened and conducted through VC.
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23<sup>rd</sup> September 2023 to Friday, 29<sup>th</sup> September 2023 (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.
5. 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.
6. Members are requested to notify immediately of any change in their address to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form are advised to notify any change in their address to the concerned depository participant.
7. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of Shares or any other Share related matters and/or change in address, furnishing of details of their bank accounts or updation thereof, to Company's Registrar - **BgSE Financials Limited**, Stock Exchange Towers, No. 51, 1st Cross, J. C. Road, Bangalore – 560027. Ph. No. 080 41329661. E-mail: [rta\\_admin@bfsi.co.in](mailto:rta_admin@bfsi.co.in) or [vp-rta@bfsi.co.in](mailto:vp-rta@bfsi.co.in)
8. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means (**e-voting & remote e-voting**).
9. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, 22<sup>nd</sup> September 2023 (Record Date) i.e. the date prior to the commencement of book closure, are

entitled to vote on the Resolutions set forth in this Notice.

10. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on on Friday, 22<sup>nd</sup> September 2023 (Record Date) may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [compliance.officer@paramount.com](mailto:compliance.officer@paramount.com).
11. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Tuesday, 26<sup>th</sup> September 2023 and will end at 5.00 p.m. on Thursday, 28<sup>th</sup> September 2023. The e-voting module shall be disabled by CDSL for voting thereafter.
12. 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.
13. The Company has appointed M/s Barkha Deshmukh & Associates, Company Secretaries, Mumbai, 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. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. 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 April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. 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 e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. 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 to atleast 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.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at <https://www.parammount.com/notices-and-outcome>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

#### **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on 26th September 2023 (9 A.M.) and ends on 28th September 2023 (5 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> September 2023 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. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.



In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasinew/Home/Login">https://web.cdslindia.com/myeasinew/Home/Login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinew/Registration/EasiRegistration">https://web.cdslindia.com/myeasinew/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
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"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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 mandatory 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 at the email address viz; [compliance.officer@paramount.com](mailto:compliance.officer@paramount.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **14 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [compliance.officer@paramount.com](mailto:compliance.officer@paramount.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. 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**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. For Individual Demat shareholders - **Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**By Order of the Board**  
**Paramount Cosmetics (India) Limited**  
**Sd/-**  
**Hiitesh Topiwaalla**  
**Managing Director**  
**DIN: 01603345**  
 902-904, 9th Floor,  
 Prestige Meridian-1, 29, M. G. Road,  
 Bangalore - 560 001

Place: Bangalore  
 Date: 04.09.2023

**“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)

<b>Particulars</b>	<b>Details</b>
Name of Director	Mr. Hiitesh Topiiwaalla
DIN	01603345
Date of Birth	24.03.1972
Age	51
Date of Appointment	30.09.2021
Qualification	B. Com
Expertise in specific functional Area	Rich Experience of more than 25 years in cosmetic Industry
Shareholding in the Company	2562990 Equity shares of INR 10/- each
Relationship with Other Directors	Spouse of Mrs. Aartii Topiwaala
List of Companies in which Directorship held (including this Company)	<ul style="list-style-type: none"> <li>- Paramount Cosmetics (India) Limited</li> <li>- Paramount Personal Care Private Limited</li> <li>- Paramount Kum Kum Pvt Ltd</li> <li>- Petl Exports Private Limited</li> <li>- Parcos Brands Investment Private Limited</li> <li>- Parcos Brands Private Limited</li> <li>- Parcos Brands Communication Private Limited</li> <li>- Farmous Foods Private Limited</li> <li>- Sepio Innovations Pvt Ltd</li> <li>- Aiyon Innovations Pvt Ltd</li> <li>- Ayurastic Health Pvt Ltd</li> <li>- Infectionsshield Biotech Private Limited</li> <li>- Impres Health Private Limited</li> </ul>
List of Chairmanship/ Membership of the Committees of Board of Public Companies as on March 31, 2023 (including this Listed Entity)	Paramount Cosmetics (India) Limited: <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• Stakeholders Relationship Committee – Member</li> </ul>

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

**Sd/-  
Hiitesh Topiiwaalla  
Managing Director  
DIN: 01603345**

902-904, 9th Floor,  
Prestige Meridian-1, 29, M. G. Road,  
Bangalore - 560 001

Place: Bangalore  
Date: 04.09.2023



**BOARD'S REPORT**

Your Directors have the pleasure in presenting the 38<sup>th</sup> Annual Report of your Company, together with the business operations for the year ended 31<sup>st</sup> March, 2023.

**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 31.03.2023	Year ended 31.03.2022
Sales and other Income	2691.98	2474.52
Profit before Depreciation, Interest, Exceptional Items	285.19	364.03
Depreciation	80.75	95.19
Interest and Finance Charges	169.79	235.37
Profit before Tax	34.65	33.47
Tax Expenses	13.47	13.89
<b>Net Profit/Loss</b>	<b>21.18</b>	<b>19.57</b>
Other Comprehensive Income	23.97	7.58

**2. INDIAN ACCOUNTING STANDARDS**

The financial statements for the financial year 2022-23 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. 2691.98 lakhs as compared to Rs. 2474.52 lakhs in the previous year, showing an increase of 9%. The Company has incurred a profit after tax amounting to Rs. 21.18 lakhs in comparison to Rs. 19.57 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 2022-23.

**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, 2023, 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, 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

**7. DEPOSITS**

The Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31st March, 2023.

**8. RESERVES**

The 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. ANNUAL RETURN**

In terms of provisions of Section 92(3), 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT7 for the financial year ended 31<sup>st</sup> March 2023 is placed on the website of the Company and can be accessed at <https://www.parammount.com/>.

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The composition of the Board and Key Managerial Personnel is as follows on 31.03.2023:

Sl. No.	Name	Designation	DIN
1.	Mr. Hiitesh Topiiwaalla	Managing Director	01603345
2.	Ms. Aartii Topiwala	Non Executive and Non Independent Director	03487105
3.	Mr. Vishwajeet N Mehta	Non-Executive - Independent Director	02800993
4.	Mr. Vishwaskumar Sharma*	Non-Executive - Independent Director	06716653

\*appointed w.e.f 14th November, 2022

**Changes in the Board Composition and Key Managerial Persons During the year 2022-23:**

Mr. Hiitesh Topiiwaalla, who was appointed as Managing Director, promoter Director of the Company is liable to retire by rotation in the ensuing AGM and is eligible for re-appointment and has tendered his willingness to be re-appointed.

During the FY 2022-23 Mr. Shishir B. Desai, Independent Director of the company Resigned w.e.f 04th November, 2022 and the company appointed Mr. Vishwaskumar Sharma as Independent Director of the company w.e.f 14th November, 2022.

There were no changes in the Key Managerial Personnel during the year 2022-23. However, after the closure of FY 2022-23, Mrs. Hena Shah Company Secretary of the Company resigned w.e.f April 19, 2023. The Company appointed Ms. Reshma Manjunath as Company Secretary of the company w.e.f May 30 2023.

**12. BOARD MEETINGS**

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The Board of Directors duly met Six (6) times during the financial year on 27-05-2022, 10-08-2022, 24-08-2022, 14-11-2022, 23-12-2022 and 13-02-2023.

**13. BOARD COMMITTEES**

Currently, the Board has three (3) Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. A detailed note on the composition of Committees and other related particulars are provided in the Report on Corporate Governance forming part of this Report.



As on 31<sup>st</sup> March 2023, the Committees were comprised as follows:

**AUDIT COMMITTEE:**

- |                        |            |
|------------------------|------------|
| a) Vishwajeet N Mehta  | - Chairman |
| b) Vishwaskumar Sharma | - Member   |
| c) Hiitesh Topiwaalla  | - Member   |

**NOMINATION AND REMUNERATION COMMITTEE:**

- |                        |            |
|------------------------|------------|
| a) Vishwajeet N Mehta  | - Chairman |
| b) Vishwaskumar Sharma | - Member   |
| c) Aartii Topiwaala    | - Member   |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

- |                        |               |
|------------------------|---------------|
| a) Aartii Topiwaala    | - Chairperson |
| b) Vishwaskumar Sharma | - Member      |
| c) Hiitesh Topiwaalla  | - Member      |

**14. INDEPENDENT DIRECTORS**

As required by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019, Mr. Vishwajeet N Mehta and Mr. Vishwaskumar Sharma have registered their names in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs. Annual Declarations received from both of them for the year 2022-23 contain affirmations regarding registrations in the data bank.

The Board has its opinion with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year as per provisions of Companies (Account) Rules, 2014.

Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2018 ("the Listing Regulations") have changed the evaluation criteria of Independent Directors from April 1, 2019. As per the amendment, evaluation of Independent Directors by the entire Board shall include:

- a) Performance of Directors and
- b) Fulfilment of independence criteria as specified in the Listing Regulations, and their independence from the management.

The Board has evaluated the Independent Directors and confirms that Mr. Vishwajeet Mehta and Mr. Vishwaskumar Sharma fulfilled the independence criteria as specified in the Listing Regulations and their independence from the management.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The same forms part of this report as **Annexure I**.

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at <https://www.parammount.com/policies>

**15. 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.

## **16. NOMINATION AND REMUNERATION POLICY**

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a Policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed on the website of the Company at <https://www.parammount.com/policies>.

The Composition, criteria for selection of Directors and the terms of reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

## **17. RISK MANAGEMENT POLICY**

The Company has not yet formulated a Risk Management Policy and has in place a mechanism to inform the Board/Audit Committee Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

## **18. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has established an effective Vigil Mechanism pursuant to the provisions of Sections 177(9) and (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of the Listing Regulations which is available on website of the Company at <https://www.parammount.com/policies> and there were no cases reported during the period under review.

## **19. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY**

The Company has not given any loan or guarantees or has not made any investments that are covered under the provisions of Section 186 of the Companies Act, 2013.

## **20. 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.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

## QUALIFICATIONS IN THE AUDIT REPORT

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.

### 21. COST AUDITOR

The provision of the section 148 of the Companies' act, 2013 read with Rules 14 of the Companies (Audit & Auditors) rules, 2014 is not applicable to the Company.

Further, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained,

### 22. INTERNAL AUDITOR

The Company has appointed Mr. M Dhanvel, who is Independent and in-house Internal Auditor of the Company.

### 23. 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.

### 24. SECRETARIAL AUDIT REPORT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s Barkha Deshmukh & Associates, a firm of Company Secretaries in practice (C P No. 22628) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as **Annexure II** form part of this Annual Report.

The Comments by the board on evert qualifications, reservations or adverse remark of Secretarial Audit Report is as follows:

Sl. No.	Comments by Secretarial Auditor	Reply by the Board
1	The Company has failed to attach a financial result copy along with the outcome off board meeting required to be submitted under Regulation 30 of SEBI LODR Regulations within 30 minutes from the conclusion of the board meeting for the quarter ended on March 22, June 22, September 22 and December 22.	The Company has submitted the clarifications in this regard to BSE and that the said delay was due to the connectivity issue.
2	The Company has maintained the data in Excel format till 31/12/2022 and therefore was tamperable in nature and hence in violation of compliance of Structured Digital Database (SDD) in terms of Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	The Company has ensured the data is not accessible by any unauthorized person till date as we strictly implemented the password of excel file. Further, the Company has installed SDD software s=which is non- tamperable and compliances are taken care accordingly

### Annual Secretarial Compliance Report

Pursuant to SEBI circular no. CIR/CFD/CM01/27/2019 dated 08 February 2019, the Company has also undertaken an audit for all applicable compliances as per the Listing Regulations and circular guidelines issued thereunder. The Annual Secretarial Compliance Report for FY 2023 has also been submitted to the Stock Exchanges within the stipulated timeline. The same is available on the Company website on the given link <https://www.parammount.com/secretarial-compliance-report>.

**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:****(A) Conservation of energy:**

Steps taken / impact on conservation of energy,	The Company is into selling and distribution activities without any manufacturing business. However, the Company has introduced various measures to conserve and minimize the use of energy wherever it is possible.
(i) Steps taken by the company for utilizing alternate sources of energy including waste generated	Nil
(ii) Capital investment on energy conservation equipment	Not Applicable
Total energy consumption and energy consumption per unit of production as per Form A	Not Applicable

**(B) Technology absorption:**

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
Technology imported	Not Applicable
Year of Import	Not Applicable
Has technology been fully absorbed	Not Applicable
If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not Applicable

**(C) Research and Development (R&D)**

Specific areas in which R & D carried out by the company	The Company is into selling and distribution activities without any manufacturing business and hence there was no scope for expenditure in respect of Research & Development.
Benefits derived as a result of the above R & D	Not Applicable
Future plan of action	Not Applicable
Expenditure on R & D	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	Nil

**(D) Foreign exchange earnings and Outgo**

Activities relating to exports	Company had export activities during the year
Initiatives taken to increase exports	We are putting continuous effort to increase Export and recapture of Export market.
Development of new export markets for products and services	Efforts are on to develop new Export market.
Export plans	Efforts are on to develop new Export market.
Total Exchange used (Cash basis)	As on 31 <sup>st</sup> March, 2023: Rs.1,80,48,308.50/-
Total Foreign Exchange Earned (Accrual Basis)	As on 31 <sup>st</sup> March, 2023: Rs.38,87,240.23/-

**26. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

**27. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNAL IMPACTING GOING CONCERN STATUS OF COMPANY**

No order was passed by any court or tribunal during the period under review which impacts going concern status of the Company.

**28. ANNUAL BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, Board Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**29. DETAILS OF HOLDING COMPANY/SUBSIDIARIES/IV**

The Company does not have any holding company/ subsidiaries or joint ventures. Hence, the necessity to provide such details is not required.

**30. RELATED PARTY TRANSACTIONS (RPTs)**

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval.

The members of the Company may recall that the prior approval for all the material related party transactions upto 2026-27 are obtained in the 37<sup>th</sup> Annual General Meeting (AGM) pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act 2013. Since, the Company is eligible to exemption from complying with Regulation 23 of SEBI (LODR), 2015, it is not required for the Company to propose the related party transaction for the current financial year 2023-24 again to the shareholder for their approval in this AGM.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. Web link for the same is <https://www.parammount.com/policies>. Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 annexed to this Report as **Annexure - III**.

**31. CORPORATE SOCIAL RESPONSIBILITY**

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, the same is not applicable.

**32. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1)(2)(3) of the Companies (Appointment and Remuneration) Rules, 2014, details/ disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this report as **Annexure-IV**.

**33. LISTING WITH STOCK EXCHANGE**

The Company confirms that it has paid the Annual Listing fees for the Financial Year 2023-24 to BSE Limited where the Company's Shares are listed.

**34. CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION**

A separate Report on Corporate Governance in terms of Regulation 34 of the Listing Regulations along with a Certificate from a Practising Company Secretary regarding compliance to the conditions stipulated under Chapter IV of the Listing Regulations is attached to this report as **Annexure V**.

Pursuant to the provisions of Regulation 15(2) of SEBI (LODR) Regulations, 2015, Compliance with Corporate Governance provisions as specified in the Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V shall not apply to listed entities having Paid-up Equity Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs. 25 Crores as on the last date of previous financial year.

Based on the above mentioned provisions, the Company falls below the specified limits and hence, the requirement of reporting on the compliance Corporate Governance for the financial year 2023-24 shall not be applicable.

**35. CAPITAL EXPENDITURE:**

As on 31st March, 2023, the gross tangible and intangible assets stood at Rs. 24,92,11,683/- and the net tangible and intangible assets stood at Rs. 15,72,77,531/- respectively. Additions during the financial year amounted to Rs. 10,68,187/-. The Company has not purchased any assets under lease.

**36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2022-23:

No. of complaints received: NIL

No. of complaints disposed off: NIL

**37. MANAGEMENT DISCUSSION AND ANALYSIS**

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.

**38. DISCLOSURE REQUIREMENTS**

As per the Listing Regulations, the Management Discussion and Analysis forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and



that such systems are adequate and operating effectively.

### **39. MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the Company had met on 16<sup>th</sup> March 2023 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Non-Executive Directors and other items as stipulated under the Listing Regulations. The Independent Directors have also declared their independence.

### **40. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:**

No Director has received any commission from your Company.

### **41. DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:**

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month. Therefore, statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs. 60,00,000/- (Rupees Sixty Lakhs only) per financial year or Rs. 5,00,000/- (Rupees Five Lakhs only) per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

### **42. INVESTORS' EDUCATION AND PROTECTION FUND**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the Shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority.

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, 2023
2015-16	Final Dividend	5%	30/09/2016	05/12/2023	2,25,185

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.

### **43. REPORTING OF FRAUD**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

### **44. REVISION OF FINANCIAL STATEMENT OR THE REPORT**

As per the Secretarial Standards-4 in case the company has revised its financial statement or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority, the detailed reasons for such revision shall be disclosed in the Report of the year as well as in the Report of the relevant financial year in which such revision is made.

In your Company there is no revision of Financial Statement in any of the three preceding financial years under consideration.

**45. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

There is no such process initiated during the year, therefore said clause is not applicable to the Company.

**46. FAILURE TO IMPLEMENT ANY CORPORATE ACTION**

There were no such events that took place during the year under consideration.

**47. CREDIT RATING OF SECURITIES**

Your Company has not obtained any rating from the credit rating agency for the securities during the year. Therefore, the said clause is not applicable to the Company.

**48. 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**

Place: Bangalore

Date: 04.09.2023

**Sd/-**

**Hiitesh Topiiwaalla**  
**Managing Director**  
**DIN: 01603345**  
902-904, 9th Floor,  
Prestige Meridian-1, 29, M. G. Road,  
Bangalore - 560 001

**Sd/-**

**Vishwajeet Mehta**  
**Director**  
**DIN: 02800993**



**ANNEXURE I****DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
Paramount Cosmetics (India) Limited  
Gujarat

Dear Sirs,

We undertake to comply with the conditions laid down under Section 149 and Schedule IV of the Companies Act, 2013 read with the provisions of Listing Regulations in relation to conditions of independence and in particular:

1. Apart from receiving director sitting fees/commission, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the immediately three preceding financial years or during the current financial;
2. None of my relatives:
  - a. is holding any security of or interest in the Company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value not exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
  - b. is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;
  - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company; for an amount of Rs. 50 lakhs during the current financial year
  - d. has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (b), (c) or (d);
3. Neither I nor any of my relatives:
  - a. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
    - i. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - ii. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

- c. holds together with my relatives two per cent or more of the total voting power of the listed entity;  
or
  - d. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
  - e. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
4. I meet the criteria of other qualifications as prescribed under Rule 5 of the (Companies Appointment and Qualification Rules), 2014.
  5. I am not less than 21 years of age.
  6. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity as an independent director.
  7. I have registered with the Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs on the <https://www.independentdirectorsdatabank.in>
  8. I affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.

Sd/-

**Vishwajeet Nalinkant Mehta**  
**Director**  
**DIN: 02800993**

Sd/-

**Vishwaskumar Ashokkumar Sharma**  
**Director**  
**DIN: 06716653**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2023

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

To,  
**The Members,**  
**Paramount Cosmetics (India) Limited**  
(CIN: L24240GJ1985PLC008282)  
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Paramount Cosmetics (India) Limited** (hereinafter referred as “the company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/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 **31<sup>st</sup> March, 2023** (‘Audit Period’) 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 **31<sup>st</sup> March, 2023** 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 Borrowing. (**not applicable to the company during the audit period**);
- 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. (**not applicable to the company during the audit period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat Equity) Regulations, 2021 (**not applicable to the company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**not applicable to the company during the audit period**);
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**not applicable to the company during the audit period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**not applicable to the company during the audit period**);

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

I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the provisions Drugs & Cosmetic Act, 1940 and rules made there under.

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 Uniform Listing Agreement entered into by the Company with BSE Limited (BSE).

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

1. ***The Company has failed to attach financial result copy along with the outcome of board meeting required to be submitted under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations within 30 minutes from the conclusion of the board meeting for the quarter ended on March 22, June 22, September 22 and December 22.***
2. ***The Company has maintained the data in Excel format till 31/12/2022 and therefore was tamperable in nature and hence in violation of compliance of Structured Digital Database (SDD) in terms of Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.***

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Adequate notice is given to all the 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.

Board takes decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

**I further report that** the Company has adopted new set of Memorandum of Association and Articles of Association in accordance with the Companies act, 2013.

**I further report that** the Company has altered Memorandum of Association (MOA) by adding new objects in addition to the existing main object of the Company by alteration of Clause -III pursuant to the shareholder's resolution passed on September 30, 2022

**I further report that** the Company has conducted postal ballot process and passed the following resolution on 30.05.2022 (deemed date of resolutions passed):

1. To appoint of Mr. Vishwaskumar Ashokkumar Sharma (DIN:06716653) as an independent director;
2. Authorization to Board of Directors to sell, lease or otherwise dispose of undertaking

**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 were no other instances of:

- i. Public/Rights/Preferential issue of Shares/debentures/sweat equity.
- ii. Redemption/buy-back of securities.
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv. Merger/ amalgamation/ reconstruction, etc.
- v. Foreign technical collaborations.

**For, BARKHA DESHMUKH & ASSOCIATES**  
**Company Secretaries**

Sd/-

**Barkha Deshmukh**  
**Proprietor**

ACS:44265

COP:22628

PR No:- 3092/2023

UDIN: A044265E000898305

**Place: Mumbai**

**Date: 04/09/2023**

**Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report.**

**Annexure to Secretarial Audit Report**

To,  
The Members,  
**Paramount Cosmetics (India) Limited**  
Gujarat.

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

1. Maintenance of secretarial records is the responsibility of the 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 our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representations 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, Regulations and Standards is the responsibility of 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, BARKHA DESHMUKH AND ASSOCIATES,  
COMPANY SECRETARIES**

Sd/-  
**BARKHA DESHMUKH**  
**PROPRIETOR**  
ACS: 44265,  
COP:22628  
PR No:- 3092/2023  
UDIN: A044265E000898305

Place: MUMBAI  
Date: 04/09/2023

**ANNEXURE-III  
FORM NO. AOC-2**

Form for disclosure of particulars 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 there to.

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

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Particular	Details			
		Paramount KumKum Private Limited	Parcos Brands Private Limited	Farmous Foods Private Limited	Infectionshield Biotech Private Limited
1.	Name(s) of the related party and nature of relationship	Paramount KumKum Private Limited	Parcos Brands Private Limited	Farmous Foods Private Limited	Infectionshield Biotech Private Limited
2.	Nature of contracts/arrangements/transactions	Purchases, Sales and Services	Purchases, Sales and Services	Purchases, Sales and Services	Purchases, Sales and Services
3.	Duration of the contracts/arrangements/transactions	Ongoing - based on a)Selling and Distribution Agreement and b)Rental Agreement	Ongoing - based on periodical requirements	Ongoing - based on periodical requirements	For 5 years and there were no transaction during the financial year.
4.	Salient terms of the contracts or arrangements or transactions	a)Selling goods and distribution services as per the agreement b)Taking of premises on rental basis for official purpose situated at located at 902 - 904, 9 <sup>th</sup> floor, Prestige Meridian 1, 29, M. G. Road, Bangalore - 560001 and at No 79, Lenin Sarani, Commercial Point, Room No. 209, Kolkatta - 700013 on the terms and conditions set out in the Rental Agreement.	Being Paid or to be paid against Royalty Amount	Selling and Distribution of any goods and Services	Selling and Distribution of any goods and Services
5.	Value of transactions	Transaction value for the Financial Year 2022-23 <b>Sales &amp; Purchases - (Rs.)8,22,72,142.82</b>  <b>Rent &amp; Royalty - (Rs.)69,29,218.20</b>	Transaction value for the Financial Year 2022-23 (Rs.) <b>2,51,000./-</b>	Transaction value for the Financial Year 2022-23 (Rs.) <b>20,66,000/-</b>	Transaction value for the Financial Year 2022-23 <b>Nil</b>

		Estimated Transaction Value for the Financial Year 2023-24. <b>(Rs.) 50,00,00,000/-</b>	Estimated Transaction Value for the Financial Year 2023-24. Upto an aggregate value not exceeding 5% of the Turnover of the company.  Approx % to Turnover is Value of the Proposed Transaction/ Turnover of the FY 22-23=5%	Estimated Transaction Value for the Financial Year 2023-24. Rs.10,00,00,000/-	NA
6.	<b>Date(s) of approval by the Board</b>	27 <sup>th</sup> May 2022			
7.	<b>Amount paid as advances</b>	Nil	Nil	Nil	Nil

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

Sd/-

**Hiitesh Topiwaalla**  
Managing Director  
DIN: 01603345  
Place: Bangalore  
Date: 04.09.2023

Sd/-

**Vishwajeet Nalinkant Mehta**  
Director  
DIN: 02800993  
Place: Bangalore  
Date: 04.09.2023



## ANNEXURE - IV

**Disclosure regarding Managerial Remuneration as required under Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

	<b>Requirements</b>	<b>Disclosures</b>
(i)	The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the Financial Year;	Managing Director Mr. Hiitesh Topiiwaalla <b>17.02 : 1</b>
(ii)	The percentage increase in aggregate remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the Financial Year;	Managing Director: Nil % CFO & Company Secretary: Nil%
(iii)	The percentage increase in the median remuneration of employees in the Financial Year;	<b>Nil</b>
(iv)	The number of permanent employees on the rolls of Company as on 31/03/2023	As on 31st March, 2023 52 members
(v)	The explanation on the relation between average increase in remuneration and company performance	Increase in remuneration is based on the industrial standard and experience of each employees.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	Remuneration paid to Key Managerial Personnel is based on remuneration policy of the company.
(vii)	Variations in the market capitalisation of the Company, price earning ratio as at closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the 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 current Financial Year and previous Financial Year;	There is no material variation in the share price .
(viii)	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;	This is as per the company's increment guidelines
(ix)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	This is as per the company's increment guidelines.
(x)	The key parameters for any variable component of remuneration availed by the Directors;	NA
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	NA

(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes
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For and on behalf of the Board of Directors  
**PARAMOUNT COSMETICS (INDIA) LIMITED**

Date: 04.09.2023  
Place: Bangalore

Sd/-  
Hiitesh Topiiwaalla  
Managing Director  
(DIN 01603345)

Sd/-  
Vishwajeet N Mehta  
Director  
(DIN 02800993)

## **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. 2691.98 lakhs as against Rs. 2474.52 lakhs in the previous year, showing an increase of 8.79% over the previous year.

#### **2) Material Cost**

The material cost for the year was Rs. 580.44 lakhs as against Rs. 740.17 lakhs in the previous year. The material cost is decreased by 21.58%

#### **3) Employment Cost**

The expenses pertaining to employment costs in FY 2022-23 was Rs. 488.47 Lakhs as against Rs 573.78 lakhs in previous year. This is decreased by 14.87%.

#### **4) Finance Cost**

The interest and Finance charges paid has increased to Rs. 169.79 lakhs in the current year as against Rs. 235.37 Lakhs in the previous year.

#### **5) Depreciation**

The depreciation for the year was Rs.80.75 Lakhs as against Rs. 95.19 lakhs in the previous year.

#### **6) Profit Before Tax**

Profit before tax (PBT) stood at Rs. 21.18 Lakhs as against Rs. 33.47 lakhs showing a decrease of 3.53%.

#### **7) Profit/(Loss) After Tax**

Profit after tax (PAT) was Rs. 21.18 Lakhs as against profit of Rs. 19.57 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 52 employees on rolls as on 31<sup>st</sup> March 2023.

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

**Sd/-**  
**Hiitesh Topiwaalla**  
**Managing Director**  
**DIN: 01603345**  
Place: Bangalore  
Date: 04.09.2023

**Sd/-**  
**Vishwajeet Nalinkant Mehta**  
**Director**  
**DIN: 02800993**  
Place: Bangalore  
Date: 04.09.2023

**ANNEXURE - V**  
**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 31<sup>st</sup> March, 2023 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, 2023, 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 2022-23 ended as on 31<sup>st</sup> March, 2023 are indicated below:

Name of Director	Category	Relationship with Other Director	Attendance Particulars			No. of Directorship in Domestic Public Companies**		No. of Committee membership in public companies***	
			No. of Board Meetings		Last AGM	As Chairman	As Director	As Chairman	As Director
			Held	Attended					
Mr. Hiitesh Topiwaalla	Promoter & Executive Director	Husband of Ms. Aartii Topiwaalla	6	6	Yes	Nil	1	Nil	2
Ms. Aartii Topiwaala	Promoter & Non-Executive Director	Wife of Mr. Hiitesh Topiwaalla	6	1	Yes	Nil	1	1	1
Mr. Vishwajeet N Mehta	Independent & Non-Executive Director	None	6	5	Yes	Nil	2	2	1
Mr. Shishir B Desai	Independent & Non-Executive Director	None	6	3	No	Nil	2	3	2
Mr. Vishwaskumar Ashokkumar Sharma	Independent & Non-Executive Director	None	6	3	No	Nil	1	Nil	1

\*\* 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 31<sup>st</sup> March, 2023 on 16<sup>th</sup> March 2023 and inter alia discussed:

- a) The performance of non-Independent Directors and the Board as a whole;
- b) 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 2022-23, the Board of Directors met Six (6) times on the following dates:**

- 1) 27.05.2022
- 2) 10.08.2022
- 3) 24.08.2022
- 4) 14.11.2022
- 5) 23.12.2022
- 6) 13.02.2023

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 Mr. Hiitesh Topiiwaalla (DIN – 03487105), a Director who retires by rotation and was appointed by members as Managing Director at 36<sup>th</sup> Annual General Meeting for a period of five years with effect from April 01, 2021 to March 31, 2026, is, liable to retire by rotation and offers himself for re-appointment.

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**

The Company has adopted Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team. The code of conduct is available on the website of the Company at <https://www.parammount.com/policies>. Requisite annual affirmations of compliance with respective codes have been made by the Directors and Senior Management of the Company for the period 1st April, 2022 to 31st March, 2023.

The Certificate by the CFO of the Company concerning compliance with the Code of Conduct for Directors and Senior Management is given below:

Code of Conduct for Directors and Senior Management  
CFO Confirmation

I hereby confirm that:

The Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended 31st March, 2023.

Place: Bengaluru  
Date: 04.09.2023

Sd/-  
Rajnish Matta  
Chief Financial Officer

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

The composition of the Audit Committee for FY 2022-23 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 11<sup>th</sup> November 2022, as per the requirements of the SEBI LODR Regulations 2015. The composition of the Audit Committee after reconstitution w.e.f 11<sup>th</sup> November 2022 comprised of following members:



Name of Director	Designation	Category
Mr. Vishwajeet Nalinkat Mehta	Chairman	Non-Executive -Independent Director
Mr. Vishwaskumar Sharma	Member	Non-Executive - Independent Director
Mr. Hiitesh Topiiwaalla	Member	Executive Director

### Meetings:

During the Financial Year 2022-23, the Audit Committee met Four times. The details of meeting and attendance are given on Page 43 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 30<sup>th</sup> May 2023 reviewed the Annual Accounts for the period ended 31<sup>st</sup> March, 2023.

### 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 2022-23 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 11<sup>th</sup> November 2022, as per the requirements of the SEBI LODR Regulations 2015. The composition of the Committee after reconstitution w.e.f 11<sup>th</sup> November 2022 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. Vishwaskumar Sharma	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 2022-23, the Nomination and Remuneration Committee met Four times. The details of meeting and attendance are given on Page 43 of this Report.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE****Constitution**

The Stakeholders Relationship Committee for FY 2022-23 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 Company has fulfilled all the compliance requirements under Regulation 20 of the Listing Regulations (as amended) as regards the Stakeholders' Relationship Committee.

### 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 2023:

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 31<sup>st</sup> March 2023.

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

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholder's Relationship Committee
<b>Meetings Held</b>	5	2	1
<u>Name of the Directors:</u>			
Mr. Hiitesh Topiiwaalla	5	-	1
Ms. Aartii Topiwaala	-	1	1
Mr. V.N. Mehta	4	2	-
Mr. Shishir B Desai	3	1	-
Mr. Vishwaskumar Sharma	1	-	-

## 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](http://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. The Company has disclosed the Policy on dealing with Related Party Transactions on its website at <https://www.parammount.com/policies>.



**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 and Committee Meetings was paid. The aggregate amount of sitting fees paid during the financial year was Rs. 1.85 Lakhs.

Further, the remuneration paid/payable to Mr. Hiitesh Topiwaalla, Managing Director of the Company for the financial year ended 31.03.2023 are as follows:

Particular	Amount (Rupees in Lakhs)
Basic Salary	37.60
Allowances & Perquisites	-
Commission	-
<b>Total</b>	<b>37.60</b>

Note: The above is net remuneration for FY 2022-23.

**III. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report forms 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, 2023:

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. Vishwaskumar Sharma	Nil	Nil
3	Ms. Aartii Topiwaala	2,600	0.0535%

**V. GENERAL BODY MEETING**

The details of the Annual General Meetings held during last three year immediately before March 31, 2023 is given in Table below:

Year	Date	Venue	Time	No. of Special Resolutions Passed at AGM
2021-22	September 30, 2022	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11.00 am	03
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

**POSTAL BALLOT**

The details of the Business transacted through Postal Ballot during FY 2023 are as follows: The Company had sought approval of the shareholders by way of Special Resolutions through notice of postal ballot dated 28 March 2023. The details of the same are as follows:

Date of Postal Ballot Notice	23 <sup>rd</sup> December 2022
Voting Period	07 <sup>th</sup> January 2023 till 05 <sup>th</sup> February 2023
Date of passing the resolution(s)	05 <sup>th</sup> February 2023
Date of declaration of result	07 <sup>th</sup> February 2023
Web link	<a href="http://www.parammount.com">www.parammount.com</a>
Resolution(s)	1.TO APPOINT OF MR. VISHWASKUMAR ASHOKKUMAR SHARMA (DIN:06716653) AS AN INDEPENDENT DIRECTOR. 2.AUTHORIZATION TO BOARD OF DIRECTORS TO SELL, LEASE OR OTHERWISE DISPOSE OF UNDERTAKING [UNDER SECTION 180(1) (A)]
Type of Resolution(s)	Special resolution

Ms. Barkha Deshmukh, Proprietor of Barkha Deshmukh & Associates, Practising Company Secretaries, was appointed as the Scrutiniser to scrutinise the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

The details of the voting results are as follows:

Description of Resolution	Votes in favour of the Resolution			Votes against the Resolution		
	Number of holders	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Number of holders	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast
Appointment of Mr. Vishwaskumar Ashokkumar Sharma (DIN:06716653) as an Independent Director	85	3664928	100	0	0	0
Authorization to Board of Directors to sell, lease or otherwise dispose of undertaking [under section 180(1)(a)]	84	3664552	99.99	1	376	0.01

**The resolutions were duly passed by the Shareholders with requisite majority on 5th February 2023.**

**Procedure for postal ballot:** The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular nos. 14/2020, 17/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated 08 April 2020, 13 April 2020, 13 January 2021, 14 December 2021, 05 May 2022 and 28 December 2022 respectively issued by MCA from time to time.

**Proposal for Postal Ballot:** There is no immediate proposal for any resolution through postal ballot.



## VI. 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 22-23, notice for clarifications was sought by Bombay Stock Exchange for late submissions of the outcome of the Board Meeting for for the quarter ended on March 22, June 22, September 22 and December 22.

- (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.

## VII. MEANS OF COMMUNICATION

Quarterly Results: Publication of Results in the Newspaper and on our website on the given link <https://www.parammount.com/quarterly-results>.

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

## VIII. GENERAL SHAREHOLDER INFORMATION

AGM	PARTICULARS
Date	: September 29, 2023
Time	: 11:00 a.m.
Venue	: AGM will be held virtually through VC /OAVM.

1. **FINANCIAL YEAR:** 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

2. **DATE OF BOOK CLOSURE:**

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive).

3. **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.

4. **MARKET PRICE DATA:**

High and Low prices during each month of Financial Year 2022-23 on Bombay Stock Exchange Limited are as under:

Month	High Price	Low Price	Close Price	Volume (No. of Shares)
Apr-22	124.75	45	124.75	1,10,539
May-22	130.95	54.05	54.05	54,007
Jun-22	62	39.9	45.5	37,831
Jul-22	49.25	39.2	40.75	32,928
Aug-22	53.5	40	47.1	41,195
Sep-22	56.45	40.1	44.95	58,891
Oct-22	51.85	43.95	45.8	29,106
Nov-22	53.75	38.65	45.9	68,990
Dec-22	50.95	31.5	37.9	1,03,756
Jan-23	45.95	36.25	40	89,879
Feb-23	41	32.7	36.7	42,185
Mar-23	39	28.45	34.39	44,500

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

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

BgSE Financials Limited

Stock Exchange Towers No. 51, 1st Cross, J.C Road, Bangalore-560027 Ph: 080 41329661; Email:

[rta\\_admin@bfsl.co.in](mailto:rta_admin@bfsl.co.in); [manager\\_rta@bfsl.co.in](mailto:manager_rta@bfsl.co.in), [cs\\_rta@bfsl.co.in](mailto:cs_rta@bfsl.co.in)

6. **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.

7. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2023:

Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
01-500	5763	96.13	656858	13.91
501-1000	139	2.32	102003	2.11
1001-2000	56	0.93	79012	1.63
2001-3000	17	0.28	42474	0.87
3001-4000	7	0.12	25122	0.52
4001-5000	2	0.04	9248	0.19
5001-10000	4	0.07	29716	0.61
10001-50000	3	0.05	51295	1.06
50001 and above	4	0.07	3841003	79.11
Total	5995	100.00	4855000	100.00

## Shareholding Pattern as on 31st March 2023

Category	No. Of Shares Held	Percentage of Shareholding
Promoter & Promotor Group	36,30,740	74.78
Financial Institutions / Banks	1400	0.03
Bodies Corporate	20,539	0.42
Mutual Funds and Unit Trust of India	0	00.00
Others	12,02,321	24.65
<b>Total</b>	<b>48,55,000</b>	<b>100.00</b>

8. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31<sup>ST</sup> MARCH, 2023:

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).

4386453 Ordinary Shares of the Company representing 90.35% of the Company's share capital is dematerialized as on 31<sup>st</sup> March, 2023.

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**

## 9. 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 <sup>th</sup> Floor, Prestige Meridian – 1, No. 29, M.G. Road, Bangalore – 560 001 Phone: +91 080-2532 0870 / 71; Email: <a href="mailto:compliance.officer@parammount.com">compliance.officer@parammount.com</a> ; Website: <a href="http://www.parammount.com">www.parammount.com</a>
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#### Investors Relation Centers

<b>Corporate Office</b>	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: <a href="mailto:compliance.officer@parammount.com">compliance.officer@parammount.com</a>
<b>Registered Office</b>	Paramount Cosmetics (India) Limited Plot No. 165/B-15 & 16, 2nd Phase, GIDC Vapi- 396195, Valsad, Gujarat Email: <a href="mailto:compliance.officer@parammount.com">compliance.officer@parammount.com</a>

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

**Sd/-**  
**Hiitesh Topiiwaalla**  
**Managing Director**  
**DIN: 01603345**  
Place: Bangalore  
Date: 04.09.2023

**Sd/-**  
**Vishwajeet Nalinkant Mehta**  
**Director**  
**DIN: 02800993**  
Place: Bangalore  
Date: 04.09.2023

**MD/CFO CERTIFICATION**

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 31<sup>st</sup> March, 2023 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material factor 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 theyear;
  - (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/-**  
**Sd/-**  
**Hiitesh Topiiwaalla**  
**Managing Director**  
**DIN: 01603345**  
Place: Bangalore  
Date: 04.09.2023

**Sd/-**  
**Sd/-**  
**Rajnish Matta**  
**Chief Financial Officer**  
Place: Bangalore  
Date: 04.09.2023

**CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF  
PARAMOUNT COSEMETICS (INDIA) LIMITED**

To  
The Members,  
**PARAMOUNT COSEMETICS (INDIA) LIMITED,**  
Gujarat

I have examined the compliance of conditions of Corporate Governance by PARAMOUNT COSEMETICS (INDIA) LIMITED for the Year Ended on March 31, 2023 as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Barkha Deshmukh and Associates,**  
Company Secretaries,

**Barkha Deshmukh**  
Proprietor  
**ACS: 44265**  
**COP No.:22628**  
**UDIN: A044265E000898338**

**Place: Mumbai**  
**Date: 04.09.2023**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**PARAMOUNT COSEMETICS (INDIA) LIMITED,**  
Gujarat

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PARAMOUNT COSEMETICS (INDIA) LIMITED, (CIN: L24240GJ1985PLC008282) and having registered office PLOT NO. 165/B-15 & 16, 2ND PHASE, GIDC VAPI Valsad-396195 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	HITESH TOPIWALLA	01603345	01/08/2005
2.	VISHWAJEET MEHTA	02800993	31/07/2009
3.	AARTII TOPIWAALA	03487105	14/02/2018
4.	VISHWASKUMAR SHARMA#	06716653	14/11/2022
5.	SHISHIR BABUBHAI DESAI*	01453410	15/12/2006

\*ceased to be Independent Director w.e.f. 04/11/2022

# appointed as Independent Director w.e.f. 14th November, 2022 .

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For, Barkha Deshmukh and Associates,**  
Company Secretaries,

Sd/-  
**Barkha Deshmukh**  
Proprietor  
ACS: 44265  
COP No.: 22628  
UDIN: A044265E000898327  
Place: Mumbai  
Date: 04.09.2023

**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 comprises the Balance Sheet as at March 31, 2023, 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, 2023 and its Profit, 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 ("SA" s) 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 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 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.

If, based on the work we have performed, we concluded that there is a material statement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's and Board of Directors 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, including other 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.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by 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, 2023 taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2023 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.
- (g) With respect to the other matter to be included in the auditor's report in accordance with the requirements of section 197(16) of the act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iii. (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(is), 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 have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- iv. During the Year the company has not declared or paid dividend during the year. Hence, the compliance of Section 123 of the Act is not applicable.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. 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**

Partner Membership No: 106109

UDIN: 23106109BGZHDE3469

Place: Surat

Date: 30/05/2023

**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").**

We have audited the internal financial controls over financial reporting of PARAMOUNT COSMETICS (INDIA) LIMITED ("the company) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

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, 2023, 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**

Due to 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: 23106109BGZHDE3469

Place: Surat

Date: 30/05/2023

**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 favor 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. 38 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, 2023, 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, 2023, 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	9.88
Professional Tax Act 1987	PT Monthly Statutory Dues	Professional Tax	2.05
Provident fund Act, 1925	Interest on provident fund	Employee Provident fund organisation	4.53

Income Tax Act 1961	Interest on Tds	Income Tax Department	22.27
Income Tax Act 1961	Income Tax & Interest on income tax	Income Tax Department	196.14

According to the information and explanations given to us, there are no undisputed amounts in respect of the aforesaid statutory dues which in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

#### **viii. Unrecorded 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**

- (a) 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.
- (b) 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.
- (c) According to the information and explanations given to us the company term loans were applied for the purpose for which the loans were obtained.
- (d) 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 has an internal audit system commensurate with the size and nature of its business.
- (b) The company has appointed internal auditor. However, the company has not furnished the report of Internal Audit for the Period.

**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 realization 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 within the preview of Sec 135 hence reporting under this clause does not arise.

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: 23106109BGZHDE3469

Place: Surat

Date: 30/05/2023

**PARAMOUNT COSMETICS (INDIA) LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup>MARCH, 2023**

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant & Equipment	4	570.74	640.04
Capital Work in Progress		-	-
Other Intangible Assets		1,002.03	1,002.81
<b>Financial Assets</b>			
- Investments	5	-	0.19
Deferred tax assets (net)	6	57.81	41.75
Other Non Current Assets	7	594.59	594.59
<b>Current Assets</b>			
Inventories	8	1,317.26	1,484.79
-Trade receivables	9	622.72	741.51
-Cash and Cash Equivalents	10	20.85	54.98
-Bank Balances other than above	11	33.31	29.19
-Current Loans and Advances	12	72.23	141.85
Other Current Assets	13	8.16	5.38
<b>TOTAL - ASSETS</b>		<b>4,299.71</b>	<b>4,737.07</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
-Equity share capital	14	485.50	485.50
-Other Equity	15	1,536.97	1,491.82
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
-Non Current Borrowings	16	632.06	658.45
-Non Current Provisions	17	27.17	59.87
-Other Non current liabilities	18	146.01	146.01
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
-Current Borrowings	19	432.54	640.71
-Trade Payables	20		
- (i) Total outstanding dues of micro enterprises and small enterprises		81.33	110.34
- (ii) Total outstanding dues of creditors other than micro enterprises & small enterprises		178.65	276.69
-Other Financial liabilities	21	193.07	170.33
Other current Liabilities	22	377.04	509.45
Short Term Provisions	23	81.88	80.78
Current Tax Liabilities (Net)	24	127.50	107.13
<b>TOTAL - LIABILITIES</b>		<b>4,299.71</b>	<b>4,737.07</b>

For and on behalf of the Board

**PARAMOUNT COSMETICS (INDIA) LIMITED**

As per our report of even date

**for PARY & CO.,**

Chartered Accountants Firm Reg. No. 007288C

Sd/-

Sd/-

Sd/-

**Hiitesh Topiiwaalla Vishwajeet N Mehta**Director Director  
(DIN 01603345) (DIN 02800993)**RAKESH KUMAR JAIN**Partner  
Membership No : 106109

UDIN: 23106109BGZHDE3469

Sd/-

Sd/-

**Rajnish Matta Reshma M**  
Chief Financial Officer Company SecretaryPlace : Bangalore  
Date : 30-May-2023Place : Surat  
Date : 30-May-2023



**PARAMOUNT COSMETICS (INDIA) LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup>MARCH, 2023**

(Amount in Lakhs)

Particulars		NoteNo.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	25	2,671.84	2,018.49
II	Other Income	26	20.14	456.03
<b>III</b>	<b>Total Revenue (I +II)</b>		<b>2,691.98</b>	<b>2,474.51</b>
IV	<b>Expenses:</b>			
	Cost of Raw Material Consumed	27	580.45	800.78
	Purchases of stock-in-trade	28	576.07	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	58.16	-104.71
	Employee benefits expense	30	488.47	573.78
	Finance costs	31	169.79	235.37
	Depreciation and amortization expense	4	80.75	95.19
	Other expenses	32	703.65	840.63
	<b>Total Expenses</b>		<b>2,657.34</b>	<b>2,441.04</b>
V	Profit before exceptional and extraordinary items and tax (III - IV)		<b>34.64</b>	<b>33.47</b>
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		34.64	33.47
VIII	Extraordinary items			
<b>IX</b>	<b>Profit before tax (VII - VIII)</b>		<b>34.64</b>	<b>33.47</b>
X	<b>Tax expense:</b>			
(1)	Current tax		22.40	11.58
	Taxes for earlier years		-	-
	Less: MAT credit entitlement		-	-
	Net Current tax		22.40	11.58
(2)	Deferred tax	6	-8.93	2.32
<b>XI</b>	<b>Profit/(Loss) for the period</b>		<b>21.17</b>	<b>19.57</b>
<b>XII</b>	<b>Other comprehensive income</b>			
A	(i) Items that will not be reclassified to profit or loss	33	16.84	7.58
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	Items that will be reclassified to profit or loss		7.13	-
	Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Total - Other comprehensive income (VIII)</b>		<b>23.97</b>	<b>7.58</b>
<b>XIII</b>	<b>Total comprehensive income for the year [(XI)+(XII)]</b>		<b>45.14</b>	<b>27.15</b>
XIV	Earning per equity share of Rs 10 each			
(1)	Basic		<b>0.44</b>	<b>0.71</b>
(2)	Diluted		<b>0.44</b>	<b>0.71</b>

For and on behalf of the Board

PARAMOUNT COSMETICS (INDIA) LIMITED

As per our report of even date

for PARY &amp; CO.,

Chartered Accountants Firm Reg. No. 007288C

Sd/-

Sd/-

Sd/-

Hiitesh Topiwaalla

Vishwajeet N Mehta

RAKESH KUMAR JAIN

Director

Director

Partner

(DIN 01603345)

(DIN 02800993)

Membership No : 106109

UDIN: 23106109BGZHDE3469

Sd/-

Sd/-

Rajnish Matta

Reshma M

Chief Financial Officer Company Secretary

Place : Bangalore

Date : 30-May-2023

Place : Surat

Date : 30-May-2023

**PARAMOUNT COSMETICS (INDIA) LIMITED**  
**CASHFLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(Amount in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash Flow from operating activities</b>		
Profit/(Loss) after tax	21.18	19.57
<b>Adjustments for non-cash items:</b>		
Depreciation / Amortization	80.75	95.19
Loss on sale of Fixed Assets	-	-
Profit on sale of Fixed Assets	-	(440.74)
Interest Expenses	169.79	235.37
Rental Income	-14.40	-
Interest Income	-1.05	(1.05)
Provision for Gratuity	-10.30	0.80
Provision for Income Tax	13.47	13.90
<b>Operating Profit before working capital changes</b>	<b>259.44</b>	<b>-76.96</b>
<b>Movements in working Capital :</b>		
(Decrease) / Increase in Trade Payables	-127.04	(27.74)
(Decrease) / Increase Other Financial liabilities	22.74	(2.21)
(Decrease) / Increase in other current liabilities	-132.41	7.32
(Decrease) / Increase in short-term provisions	1.08	5.86
(Decrease) / Increase in Non Current Provisions	-32.70	(13.74)
(Decrease) / Increase in Other Non current liabilities	-	8.00
(Decrease) / Increase in Current Tax Liability	32.26	6.90
Decrease / (Increase) in Other Non-current assets	-	2.21
Decrease / (Increase) in inventories	167.53	146.73
Decrease / (Increase) in trade receivables	118.79	(55.21)
Decrease / (Increase) in Other Bank balances	-4.12	0.50
Decrease / (Increase) in Current Loans and Advances	69.62	65.80
Decrease / (Increase) in Other current assets	-2.78	18.88
<b>Cash generated from / (used in) Operations</b>	<b>372.40</b>	<b>86.33</b>
Direct Taxes Paid (Net of Refunds)	7.13	4.66
<b>Net cash flow from / (used in) operating activities(A)</b>	<b>365.27</b>	<b>81.66</b>
<b>Cash Flow from investing activities</b>		
Purchase of Fixed Assets	-10.68	(26.63)
Sale of Fixed Assets	-	460.00
Investment	0.19	-
Interest Income	1.05	1.05
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>4.96</b>	<b>434.42</b>
<b>Cash Flows from financing activities</b>		
Increase (Decrease) in Long Term Borrowings	-26.39	135.94
Increase (Decrease) in Working Capital Borrowings	(208.17)	(402.70)
Restatement of compound financial instrument	-	-
Interest Expense	-169.79	(235.37)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(404.35)</b>	<b>(502.13)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(34.13)</b>	<b>13.95</b>
Cash and cash equivalents at the beginning of the year	54.98	41.03
<b>Cash and Cash Equivalents at the end of the year</b>	<b>20.85</b>	<b>54.98</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	3.56	0.24
With Banks	17.30	54.74
<b>Total Cash and Cash Equivalents</b>	<b>20.85</b>	<b>54.98</b>

For and on behalf of the Board

**PARAMOUNT COSMETICS (INDIA) LIMITED**

Sd/-

**Hiitesh Topiwaalla**  
 Director  
 (DIN 01603345)

Sd/-

**Vishwajeet N Mehta**  
 Director  
 (DIN 02800993)

Sd/-

**Rajnish Matta**  
 Chief Financial Officer

Sd/-

**Reshma M**  
 Company Secretary

Place : Bangalore  
 Date : 30-May-2023

As per our report of even date

for **PARY & CO.,**

Chartered Accountants Firm Reg. No. 007288C

Sd/-

**RAKESH KUMAR JAIN**  
 Partner  
 Membership No : 106109  
 UDIN: 23106109BGZHDE3469

Place : Surat  
 Date : 30-May-2023

## Notes to accounts for the year ended 31 March 2023

## 14 Share Capital

(Amount in Lakhs)

	As at 31-Mar-23	As at 31-Mar-22
<b>Authorised</b>		
50,00,000 (Prev. year : 50,00,000) Equity Shares of Rs.10/- each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>Issued</b>		
48,87,150 (Prev. year : 48,871,500) Equity Shares of Rs.10 each	488.72	488.72
<b>Subscribed</b>		
48,56,650 (Prev. year : 48,566,500) Equity Shares Rs. 10 each fully paid	485.67	485.67
<b>Paid up Equity shares</b>		
48,55,000 (Prev. year : 48,55,000 ) Equity Shares of Rs.10each fully paid	485.50	485.50
	<b>485.50</b>	<b>485.50</b>

(i) The reconciliation of number of shares outstanding and the amount of share capital is set out below:

Particulars	As At 31-Mar-23	
	Number of shares	Amount(Rs. In Lakhs)
At the commencement of the year	48,55,000	485.50
Add: shares issued during the year	-	-
At the end of the year	<b>48,55,000</b>	<b>485.50</b>

(ii) The rights, entitlement and obligations of different classes of equity shares are mentioned here under:

The Company has only one class of shares referred to as equity shares having a par value Rs 10. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets.

In the event of liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of

(iii) Particulars of shareholders holding more than 5% shares of a class of shares:

Particulars	As At 31-Mar-23	
	Number of shares	% of total shares
Hiitsh Topiiwaalla	25,60,640	52.80%
Paramount Kumkum Pvt Ltd	10,65,150	21.94%

(iv) There are no issuance of bonus shares or shares issued for consideration other than cash or buy-back of shares during the last five years ended 31 March 2023.

## PARAMOUNT COSMETICS (INDIA) LIMITED

Notes forming part of the financial statements as at March 31, 2023

(Amount in lakhs)

Note No.	Particulars	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Note: 14	<b>Share Capital</b>				
	<b>(a) Authorised Share Capital</b>				
	Equity shares of 10 each with voting rights	50,00,000	500.00	50,00,000	500.00
	<b>Total - Authorised Share Capital</b>	<b>50,00,000</b>	<b>500.00</b>	<b>50,00,000</b>	<b>500.00</b>
	<b>(b) Issued, subscribed and paid-up share capital comprises:</b>				
	<b>(i) Issued Share Capital</b>				
	Equity shares of 10 each with voting rights	4,88,71,500	488.70	4,88,71,500	488.70
	<b>(ii) Subscribed and Fully paid Share Capital</b>				
	Equity shares of 10 each with voting rights	48,55,000	485.50	48,55,000	485.50
	<b>(iii) Subscribed But Not Fully Paid</b>				
	Equity shares of 10 each with voting rights	1,650	0.17	1,650	0.17
	Less:- Calls in arrear				
	<b>(c) Reconciliation statement of Shares Outstanding</b>				
	Opening Balance	4,88,71,500	489	4,88,71,500	489
Additions					
(a) Fresh Issue	-	-	-	-	
(b) Bonus Share	-	-	-	-	
(c) Right Share	-	-	-	-	
Deletions	-	-	-	-	
<b>Closing</b>	<b>4,88,71,500</b>	<b>489</b>	<b>4,88,71,500</b>	<b>489</b>	
(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.					
<b>(f) Details of shares held by each shareholder, holding more than 5% shares.</b>					
Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022		
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
<b>Equity shares with voting rights</b>					
Hitesh Topiiwaalla	25,60,640	52.80%	25,60,640	52.80%	
Paramount Kumkum Pvt. Ltd	10,65,150	21.94%	10,65,150	21.94%	
<b>Total</b>	<b>36,25,790</b>	<b>74.74%</b>	<b>36,25,790</b>	<b>74.74%</b>	
(g) NIL shares (NIL shares) were reserved for issuance under auctions and contracts / commitments for the sale of shares / disinvestment.					
(h) The company has not allotted fully paid up shares pursuant to contract(s) and fully paid bonus Shares, without payment being received in cash. Further, the Company has not bought back any shares. Hence, disclosure regarding number of shares and class of shares to be bought back does not arise.					
(i) There are no securities issued by company which are convertible into equity / preference shares. Hence disclosure regarding terms of convertible security and earliest date of conversion does not arise.					
(j) None of the calls are unpaid. Hence disclosure regarding number of shares and amount due from director, officer and others does not arise.					
(k) None of the shares are forfeited. Hence disclosure regarding number of shares and amount originally paid does not arise.					

## Note :15 Other Equity

Particulars	Retained earnings	Security Premium	Capital Reserve	Other Comprehensive Income	Total Other Equity
<b>Balance as on 01.04.2022</b>	<b>418.58</b>	<b>1085.25</b>	<b>0.31</b>	<b>-12.31</b>	<b>1491.82</b>
Profit for the year	21.17	0.00	0.00	0.00	21.17
Transfer to General Reserve Other comprehensive income	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	-23.97	-23.97
<b>Total Comprehensive income for the year</b>	<b>21.17</b>	<b>0.00</b>	<b>0.00</b>	<b>-23.97</b>	<b>45.14</b>
Dividend	0.00	0.00	0.00	0.00	0.00
Tax on Dividend	0.00	0.00	0.00	0.00	0.00
<b>Balance as on 31.03.2023</b>	<b>439.74</b>	<b>1085.25</b>	<b>0.31</b>	<b>11.66</b>	<b>1536.96</b>

## Note: 5

## Investments

(Amount in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-Trade Investment</b>		
Investment in Equity Instruments	-	0.19
Investment in government or trust securities	-	-
<b>Total Investments</b>	<b>-</b>	<b>0.19</b>

## Note: 6

## Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Related to Disallowances u/s 43B & 40A(7) of Income Tax Act. 1961	7.90	16.08
Related to Property, Plant & Equipments	49.91	25.67
<b>Total Defferd Taxes</b>	<b>57.81</b>	<b>41.75</b>

## Note: 7

## Other Non Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured Considered Good</b>		
Security Deposits with Related Parties	575.00	575.00
Security Deposits	8.59	8.59
VAT Credits including Sales Tax Deposits	11.00	11.00
<b>Total Other non-current assets</b>	<b>594.59</b>	<b>594.59</b>

## Note: 8

## Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	120.37	229.73
Finished goods	1,196.89	1,255.05
Stores, Spares, Consumables etc	-	-
<b>Total Inventories</b>	<b>1,317.26</b>	<b>1,484.79</b>

## Note: 9

## Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables- Unsecured</b>		
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Un Secured;	-	-
- Less than 6 months	3.89	-
- 6 months to 1 year	0.72	-
-More than one year	-	55.21
(c) Trade Receivables which have significant increase in Credit Risk; and	0.11	-
1- 2 years	-	-
2-3 years	-	686.30
More Than 3 years	-	-
Less:-Provision For Doubt Full Debts	-	-
(d) Trade Receivables - credit impaired	-	-
<u>Other</u>	-	-
- Considered good	-	-
- Considered doubtful	618.00	-
<b>Total Trade Receivables</b>	<b>622.72</b>	<b>741.51</b>

## Note: 10

## Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	3.56	0.24
<b>Balances with banks-</b>		
- In current account	17.30	54.74
<b>Total Cash and bank balance</b>	<b>20.85</b>	<b>54.98</b>

## Note: 11

## Bank Balances Other Than Above

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposit with Banks LC Margin money	28.31	16.59
In unclaimed Dividend accounts	5.00	12.60
<b>Total Other bank balances</b>	<b>33.31</b>	<b>29.19</b>

## Note: 12

## Current Loans &amp; Advances

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured Considered Good</b>		
Loans & Advances to Employees	27.63	29.91
Balance with Govt. Authorities	5.85	0.60
Advances given to Suppliers of Goods	36.90	75.36
Advances to Expenses Creditors	-	-
<b>Total Current Loans &amp; Advances</b>	<b>72.23</b>	<b>141.85</b>

## Note: 13

## Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Advances other than Capital Advances</b>		
Interest accrued on Fixed Deposit	0.74	-
Prepaid Expenses	4.94	2.89
Others	2.49	2.49
<b>Total Other Current Assets</b>	<b>8.16</b>	<b>5.38</b>

## Note: 15 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Share Premium</b>		
Opening Balance	1,085.25	1,085.25
Add: Any further addition	-	-
Less: Utilised/ transferred during the year	-	-
<b>Closing Balance</b>	<b>1,085.25</b>	<b>1,085.25</b>
<b>Capital Reserve</b>		
Opening Balance	0.31	0.31
Add: Any further addition	-	-
Less: Utilised/ transferred during the year	-	-
<b>Closing Balance</b>	<b>0.31</b>	<b>0.31</b>
<b>Retained Earnings</b>		
Opening Balance	418.58	399.00
Less: Depreciation charged due to reduction in useful life	-	-
Add: Profit/(Loss) for the year	21.18	19.57
Add: Transfer from Equity component of CFI	-	-
<b>Amount available for appropriation</b>	<b>439.75</b>	<b>418.58</b>
<b>Other Comprehensive Income</b>		
Remeasurement Gains/(losses) on defined benefit plans		
Opening Balance	(12.31)	(19.90)
Add or Less : Transactions during the year	(23.97)	(7.58)
<b>Closing Balance</b>	<b>11.66</b>	<b>(12.31)</b>
<b>Total Other Equity</b>	<b>1,536.97</b>	<b>1,491.82</b>

## Note: 16 Non Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Bond/Debentures		
Term Loans		
- From Bank*	404.59	422.32
- From Other Parties	5.81	11.45
<b>Unsecured</b>		
Trade Deposits/Advances	-	-
Loans and Advances From Related Parties	221.66	224.67
<b>Total Non Current Borrowings</b>	<b>632.06</b>	<b>658.45</b>

## Details of Security \*

- i. WCTL - 1. Second charge on entire current assets (both present and future) of the company.
2. Second charge on all assets created under expansion, which inter alia includes land and building bearing sy no. 124/3B measuring 2 acres 4 cents situated at chennapalli village, Hosur taluk, Krishnagiri Dist, Tamilnadu. Collateral : 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 Paramaount Kum kum on Second charge basis. 2. Equitable mortgage of 400Sq Mt & Building on 320 St Ft thereon located at plot no. 168/244, Dabhel village, Daman owned by Paramount Cosmetics (I) Limited on second charge basis.
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 Paramount Cosmetics

(I) Limited on second charge basis. 4. Second charge on Plant & Machinery and other Fixed Assets which are not funded by IDBI Bank. Personal Guarantee: Irrevocable and unconditional personal guarantee of : Shri Hiitesh Topiiwaalla, Managing director of the company on second charge basis. Corporate Guarantee of : M/s. Paramount Kum Kum Private Limited on Second charge basis. NCGTC : Compulsorily covered under Guaranteed emergency credit line (GECL) under NCTGC. Term Loan is repayable in 36 EMIs of Rs 7.48 Lakhs, last EMI is payable on March 2024 Interest is payable @ 9.1% pa.  
Term Loan of Rs.1.41 cr Repayable in 42 EMI of Rs.3.35 lakhs payable Up to Sep 2025 @ 7.7%(RLLR+100bp)

ii. Cash Credit - Exclusive charge over all the current assets of the Company, First charge on all assets created under expansion, which inter alia includes land and building bearing sy no. 124/3B measuring 2 acres 4 cents situated at chennapalli village, Hosur taluk, Krishnagiri Dist, Tamilnadu and second charge for WCTL, repayment on demand, Interest is payable @ 9.55% pa. for the intital period of two years

iii. Unsecured loans from related parties are interest free and are expected to be repaid after 31/03/2024

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

**Note: 17 Non Current Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity	17.93	28.23
Leave Encashment	9.24	31.64
<b>Total Non Current Provisions</b>	<b>27.17</b>	<b>59.87</b>

**Note: 18 Other Non Current Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Subsidy Received (Deffered Income)	14.00	16.00
Trade Deposits	132.01	130.01
<b>Total Non Current Provisions</b>	<b>146.01</b>	<b>146.01</b>

**Note: 19 Current Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Loans repayable on demand		
- From Bank	-	-
- Working capital loan	432.54	640.71
<b>Total Current Borrowings</b>	<b>432.54</b>	<b>640.71</b>

**Details of Security**

i. Cash Credit is secured hypothecation Current assets (Present and Future ) of entire including all the assets created under expansion and all the current assets of the Company, equitable mortgage of land and building and plot of the company at Dabhel and office premises of associate company at Bangalore, personal guarantee of Managing Director of the Company and corporate guarantee of associate company@ 8.55%(RLLR+185bps)

**Note : 20 Trade Payables**



Particulars	As at March 31, 2023	As at March 31, 2022
(i) MSME		
- Less than One Year	64.65	104.45
- 1-2 years	15.02	5.88
- 2-3 years	1.66	-
- More than 3 years	-	
(ii) Others		
- Less than One Year	143.56	162.90
- 1-2 years	6.41	113.79
- 2-3 years	28.68	
- 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		
<b>Total Trade Payables</b>	<b>259.98</b>	<b>387.02</b>

**Note :21 Other Current Financial Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Current Maturities of long term debt	188.07	157.73
Unclaimed Dividend	5.00	12.60
Creditors for Capital Expenditure	-	-
<b>Total Other Current Financial Liabilities</b>	<b>193.07</b>	<b>170.33</b>

**Note: 22 Other Current Liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	15.25	48.09
Payable for Expenses	316.08	380.29
<b>Total Other Current Liabilities</b>	<b>377.04</b>	<b>509.45</b>

**Note: 23 Short-term Provision**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for Employee benefits</b>		
Bonus	42.88	42.00
Gratuity	2.83	0.92
Leave encashment	1.37	3.08
Interest on IT (Earler period)	34.79	34.78
<b>Total Short-term provisions</b>	<b>81.88</b>	<b>80.78</b>

**Note: 24 Current Tax Liabilities (Net)**

Particulars	As at March 31, 2023	As at March 31, 2022
-------------	-------------------------	-------------------------

Provision for Taxation	134.64	112.32
Less : Advance Income tax (Inc TDS receiveable)	7.13	5.19
<b>Total Current Tax Liabilities (Net)</b>	<b>127.51</b>	<b>107.13</b>

**Note : 25**

**Revenue from operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products	2,671.84	2,018.49
Other Operating Revenue	-	-
<b>Total</b>	<b>2,671.84</b>	<b>2,018.49</b>

**Note : 26 Other Income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	1.05	1.05
Round off	-	-
Rental Income	14.40	-
Profit on sale of Assets	-	440.74
Sale of Scrap	0.96	2.80
Miscellaneous Income	2.00	-
Sundry Balances Written off	1.73	11.43
<b>Total</b>	<b>20.14</b>	<b>456.03</b>

**Note : 27 Cost of Raw Material Consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock of Raw Material	229.73	481.17
Add:- Purchases (Net)	398.26	473.11
Add:- Freight Charges	4.20	10.77
Add:- Clearing & Forwarding Charges	14.84	11.18
Add:- Custom Duty	53.76	54.28
Less:- Closing Stock of Raw Material	120.37	229.73
<b>Total</b>	<b>580.45</b>	<b>800.78</b>

**Note : 28 Purchases of stock-in-trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of traded goods (Net)	576.07	-
<b>Total</b>	<b>576.07</b>	<b>-</b>

**Note : 29 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening Inventory</b>		
Finished Goods	1,255.05	1,150.34
Packaged Goods	-	-
<b>Closing Inventory</b>		
Finished Goods	1,196.89	1,255.05
Stores, Spares, Consumables etc	-	-
<b>Net (Increase)/Decrease</b>	<b>58.16</b>	<b>(104.71)</b>

**Note : 30 Employee benefits expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries to Directors	37.57	83.00
Salaries and Wages - Others	420.27	457.07
Contribution to Provident Fund	7.68	7.24
Contribution to ESI Fund	2.30	2.66
Workmen & Staff Welfare Expenses	6.71	6.81
Bonus	5.50	8.74
Gratuity	8.44	8.27
<b>Total</b>	<b>488.47</b>	<b>573.78</b>

**Note : 31 Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest Expenses</b>		
Bank - on borrowings	126.32	170.42
Directors - on borrowings	-	-
Others - on borrowings	36.56	24.76
Others - delayed payment of IT	-	36.25
Other borrowing Cost	6.91	3.95
<b>Total</b>	<b>169.79</b>	<b>235.37</b>

**Note : 32 Other expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Manufacturing Expenses (A)</b>		
Consumable Stores & Spares	0.87	0.56
Labour Charges	60.24	82.83
Power and Fuel	13.10	15.10
Repairs and maintenance on building	1.21	4.79
Repairs and maintenance on machinery	1.99	7.84
Security Service Charges	-	-

<b>Total (A)</b>	<b>77.41</b>	<b>111.12</b>
<b>Selling &amp; Distribution Expenses (B)</b>		
Sales Promotion Expenses	126.55	119.11
MES Expenses	81.28	39.88
CFA Commission & Reimbursements	70.84	68.48
Carriage Outwards	24.91	26.08
Advertisement expenses	39.48	61.99
Royalty	54.89	65.80
<b>Total (B)</b>	<b>397.95</b>	<b>381.35</b>
<b>Establishment Expenses (C)</b>		
Rent	42.53	36.10
Rates and Taxes	30.69	32.96
Net Loss on foreign currency transactions and translations	15.88	9.45
Brokerage Expenses	3.40	5.00
Travelling and conveyance	6.07	6.16
Legal and professional	71.42	68.39
Repair & Maintenance Other	14.95	49.48
Recruitment Charges	5.91	4.41
Insurance	5.98	10.50
Donation	-	0.30
Payment Auditors	5.11	3.63
Communication Expenses	11.02	11.28
Printing and Stationery	1.01	1.44
Sundry Balances Written off	-	-
Other Expenses	-	-
Miscellaneous expenses	14.33	14.45
<b>Total (C)</b>	<b>228.30</b>	<b>348.17</b>
<b>Total (A+B+C)</b>	<b>703.65</b>	<b>840.64</b>

**Note : 33**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be Reclassified to Profit and Loss Account	16.84	7.58
<b>Total</b>	<b>16.84</b>	<b>7.58</b>

## PARAMOUNT COSMETICS (INDIA) LIMITED

Note: 4

2022-23

Depreciation [As per Companies Act ,2013]

(Amount in Lakhs)

Sl. No.	Property, Plant & Equipment	Gross Block			Depreciation Block					Net Block		
		Cost as on April 1, 2022	Addition	Deletion	Total Cost as on March 31, 2023	Balance as on April 1, 2022	Depreciation for the Year	Reversal of Depreciation	Transfer to Reserves	Balance as on March 31, 2023	As at March 31, 2023	As at March 31, 2022
	<b>Tangible assets, owned</b>											
1	Land	72.75	-	-	72.75	-	-	-	-	-	72.75	72.75
2	Building	654.93	-	-	654.93	289.69	34.70	-	-	324.39	330.54	365.24
3	Plant and equipment	461.88	1.93	-	463.81	315.05	26.76	-	-	341.81	122.00	146.83
4	Furniture and fixtures	108.84	0.33	-	109.17	91.31	4.55	-	-	95.86	13.32	17.53
5	Vehicles	26.85	-	-	26.85	23.29	1.11	-	-	24.40	2.45	3.56
6	Office Equipment	18.28	1.10	-	19.38	13.07	2.40	-	-	15.46	3.92	5.21
7	Electric Installations	73.46	-	-	73.46	61.29	3.15	-	-	64.44	9.01	12.16
8	Computer Equipment	27.01	0.88	-	27.90	20.53	4.32	-	-	24.86	3.04	6.48
9	Factory Equipment	2.81	-	-	2.81	1.99	0.15	-	-	2.14	0.67	0.81
10	Moulds	20.68	5.67	-	26.36	11.65	2.26	-	-	13.91	12.45	9.04
11	R & D Equipments	1.56	0.37	-	1.93	1.13	0.18	-	-	1.32	0.61	0.43
	<b>Total (A)</b>	1,469.06	10.28	-	1,479.34	829.02	79.58	-	-	908.59	570.74	640.04
	<b>Intangible assets, owned</b>											
1	Computer software	12.38	0.40	-	12.78	9.56	1.17	-	-	10.74	2.03	2.81
2	Copyrights, patents and other IPR	1,000.00	-	-	1,000.00	-	-	-	-	-	1,000.00	1,000.00
	<b>Total (B)</b>	1,012.38	0.40	-	1,012.78	9.56	1.17	-	-	10.74	1,002.03	1,002.81
1	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
	<b>Current Year (A+B+C)</b>	2,481.43	10.68	-	2,492.12	838.58	80.75	-	-	919.33	1,572.78	1,642.85
	<b>Previous Year</b>	2,476.39	14.21	-	2,490.60	653.09	106.36	-	-	759.45	1,730.67	1,823.30

## PARAMOUNT COSMETICS (INDIA) LIMITED

Notes forming part of the financial statements as at March 31, 2023

Note : 6

(Amount in Lakhs)

**Components of Deferred Tax Asset/(Liability)**

Particulars	Opening Balance		Current Year Adjustment		Closing Balance	
	March 31, 2022				March 31, 2023	
	Amount	DTA/(DTL)	Amount	DT	Amount	DTA/(DTL)
<b>Difference in Written Down Value</b>	101.99	25.67	-96.33	-24.24	198.32	49.91
<b>Book Losses</b>						
<b>Disallowance u/s 40 a(ia)</b>						
Gratuity u/s 40A(7)	29.15	7.34	8.39	2.11	20.76	5.22
Current year		-		-		-
Reversal of Previous Year		-		-		-
<b>Disallowance u/s 43B</b>						
Leave Salary	34.72	8.74	24.11	6.07	10.62	2.67
Current year		-		-		-
Reversal of Previous Year		-		-		-
<b>Preliminary expenses</b>						
Current year		-	-	-	-	-
Reversal of Previous Year		-	-	-	-	-
<b>Total</b>	<b>165.87</b>	<b>41.75</b>	<b>-63.83</b>	<b>-16.07</b>	<b>229.70</b>	<b>57.81</b>

<b>PARAMOUNT COSMETICS (INDIA) LIMITED</b>		
<b>Notes to account</b>		
<b>Note : 33</b>	<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
<b>Foreign Currency Income &amp; Expenditure</b>		
<b>- Value of Imports on CIF Basis in respect of</b>		
Raw Materials and Stock-in-Trade	180.48	149.43
<b>- Expenditure in Foreign Currency :</b>		
Travelling Expenses	-	-
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		
<b>- Earnings in Foreign Exchange</b>		
FOB Value of Export	38.87	40.53
<b>Earnings Per Share (EPS)</b>		
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Net Profit/(Loss) after Tax as per Profit and Loss Statement attributable to Equity Shareholders	21.18	19.57
Weighted Average number of Equity Shares used as denominator for calculating EPS	48.55	48.55
Basic and Diluted Earnings per Share	0.44	0.40
Face Value per Equity Share	10	10
<b>Contingent Liabilities and Commitments</b>		
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
<b>Contingent liabilities</b>		
Letter of Credit	37.65	51.92
Other disputed claims	-	35.28
<b>Particulars</b>		
Director Remuneration	37.57	83.00
<b>Payments to Auditors</b>		
Audit fees	4.11	3.63
Tax Audit fees	1.00	1.00
<b>Regrouping &amp; Reclassification</b>		
The previous year figures have been regrouped/reclassified wherever necessary to facilitate comparison with current year's figures.		
<b>Balance Confirmation from Parties</b>		
Balances in parties' accounts are subject to confirmation and reconciliation.		

**PARAMOUNT COSMETICS (INDIA) LIMITED**  
**AS-18 Related Party Disclosure**

**Note : 34**

**(Amount in Lakhs)**

**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
<b>[a] Key Management Personnel (KMP)</b>	Mr.Hiitesh Topiwaalla Mrs. Aartii Topiwaala Mr.Vishwas Kumar Ashok kumar Sharma Mr. Vishwajeet Nalinkat Mehta Mr. Rajnish Matta(CFO)
<b>[b] Enterprises over which Directors have significant influence</b>	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 Products Private Limited Ayurastic Health Private Limited Infectionsshield Biotech Private Limited Shingar Limited Khandelwal & Sharma LLP

**Nature of Transaction with Related Parties**

		2022-23	2021-22
<b>[i] Loans Accepted</b>			
	Hiitesh Topiwaalla	10.00	-
	Paramount Kum Kum Pvt Ltd	9.17	4.74
	Infectionsshield Biotech Private Limited	32.68	-
	Parcos Brands Private Limited	0.33	-
<b>[ii] Loans and Advances -Repaid /Given</b>			
	Farmous Foods Private Limited	20.66	20.99
	Paramount Kum Kum Pvt Ltd	22.17	-
	Infectionsshield Biotech Private Limited	11.58	-
	Parcos Brands Private Limited	2.18	-
<b>[iii] Remuneration</b>			
	Hiitesh Topiwaalla	37.57	83.00
<b>[iv] Rent Expenses / (Income)</b>			
	Paramount Kum Kum Pvt Ltd	37.30	32.95
<b>[v] Sales</b>			
	Infectionsshield Biotech Private Limited	-	32.45
	Paramount Kum Kum Pvt Ltd	246.65	-
<b>[vi] Purchases</b>			
	Paramount Kum Kum Pvt Ltd	576.07	-
<b>[v] Rent Received</b>			
	Paramount Kum Kum Pvt Ltd	14.40	-
<b>[vi] Outstanding Payable as at Year end</b>			
	Hiitesh Topiwaalla	74.09	64.09
	Mrs Aartii Topiwaala	4.61	4.61
	Paramount Kum Kum Pvt Ltd	-	120.34
	Paramount Kum Kum Pvt Ltd-Loan	142.96	155.96
	Farmous Foods Private Limited	-	0.33
<b>[vii] Outstanding Receivable as at Year end</b>			
	Paramount Kum Kum Pvt Ltd	617.01	720.17
	Infectionsshield Biotech Private Limited	-	21.10
	Farmous Foods Private Limited	-	20.99
	Shingar Limited	-	14.99
	Parcos Brands Private Limited	1.85	-
	Paramount Kum Kum Pvt Ltd	575.00	575.00
<b>[viii] Royalty Fees</b>			
	Parcos Brands Private Limited	-	0.01
	Paramount Kum Kum Pvt Ltd	54.89	65.80
	<b>Total</b>	<b>54.89</b>	<b>65.81</b>



## PARAMOUNT COSMETICS (INDIA) LIMITED

(Amount in Lakhs)

Notes forming part of the financial statements as at March 31, 2023

**Note : 35 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-23	31-Mar-22
Present Value of Obligation as at the beginning	28.23	27.43
Interest Cost	2.11	1.93
Current Service Cost	6.33	6.45
Benefits Paid		
Actuarial (Gain) / Loss on the Obligation	-15.91	-7.58
<b>Present Value of Obligation as at the end</b>	<b>20.76</b>	<b>28.23</b>

**[ii] Change in plan assets**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
<b>Fair Value of Plan Assets as at the beginning</b>	28.23	27.43
Expected Return on Plan Assets	8.44	8.38
Employer's Contributions		
Benefits Paid		
Actuarial Gain / (Loss) on the Plan Assets	-15.91	-7.58
<b>Fair Value of Plan Assets as at the end</b>	<b>20.76</b>	<b>28.23</b>

**[iii] Funded status - recognised in Balance Sheet**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Deficit of plan assets over obligations	-	-
<b>Total - Deficit</b>	<b>-</b>	<b>-</b>

**[iv] Category of assets**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Funds managed by Insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

[v] Net periodic gratuity / pension cost, included in employee cost consists of the following components:

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Current Service Cost	6.33	6.45
Interest Cost	2.11	1.93
Expected Return on Plan Assets		
Net Actuarial (Gain) / Loss recognised in the periodOthers		
<b>Expenses Recognised in statement of Profit and Loss</b>	<b>8.44</b>	<b>8.38</b>

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

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

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

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

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

### Risk analysis

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

#### a. Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

#### b. Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

#### c. Longevity risk/life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**d. Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability

**2. Defined contribution plans:**

A sum of Rs. 8.44 Lakhs has been charged to the Statement of Profit and Loss in respect of Company's contribution to provident fund and employees state insurance.

**Note : 36****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	<b>Related Parties</b>			
(a)	Paramount Kum Kum Pvt Ltd	Enterprises over which Directors have significant influence	575.00	95.12%
(b)	Parcos Brands Private Limited	Enterprises over which Directors have significant influence	1.85	0.31%
	<b>Total</b>		<b>576.85</b>	<b>95.43%</b>

**Note : 37** 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	679.44	679.44	0.00	Quarter-1
Inventory	1,502.92	1,502.92	0.00	Quarter-1
Debtors	663.13	663.13	0.00	Quarter-2
Inventory	1,456.24	1,456.24	0.00	Quarter-2
Debtors	871.43	871.43	0.00	Quarter-3
Inventory	1,342.42	1,342.42	0.00	Quarter-3
Debtors	622.718	599.44	23.28	Quarter-4
Inventory	1317.259	1317.26	0.00	Quarter-4

**Reason for Difference in Debtors Value**

During the Year end the Company has reinstated/Regrouped its debtors and creditors and the same has not considered in the statement submitted to bank.

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

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

Sd/-                      Sd/-  
**Hiitesh Topiwaalla Vishwajeet N Mehta**  
Director                  Director  
(DIN 01603345)        (DIN 02800993)

Sd/-  
**RAKESH KUMAR JAIN**  
Partner  
Membership No : 106109  
UDIN: 23106109BGZHDE3469

Sd/-                      Sd/-  
**Rajnish Matta                  Reshma M**  
Chief Financial Officer      Company Secretary

Place : Bangalore  
Date : 30-May-2023

Place : Surat  
Date:30-May-2023

**PARAMOUNT COSMETICS (INDIA) LIMITED**  
Notes forming part of the financial statements as at March 31, 2023

**Notes to Accounts and Significant Accounting Policies**

**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 2023 were approved by the board of Directors and Authorised For issue on 30-05-2023

**2 Basis Of Preparation And Measurement**

**Statement of compliance**

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

**Basis of preparation**

The financial statements have been prepared on accrual and going concern basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria asset 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').

**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.

**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 Financial Assets**

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.

#### **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.

#### **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.
- 2) As at March 31, 2023 and March 31, 2022, the fair values of the properties are ₹ and ₹ respectively. These valuations are based on valuations performed by an accredited independent valuer.

### Investments

Non- Current Investment include investment in partnership firm which is valued at cost as per IND AS 27.

### 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.

### 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 incometax 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.

### 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"

### 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.

#### **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.

#### **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 non-occurrence 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.

#### **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.

#### **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.

#### **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.

#### 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 the Board  
PARAMOUNT COSMETICS (INDIA) LIMITED

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

Sd/-                      Sd/-  
**Hiitesh Topiwaalla Vishwajeet N Mehta**  
Director                  Director  
(DIN 01603345)        (DIN 02800993)

Sd/-  
**RAKESH KUMAR JAIN**  
Partner  
Membership No : 106109  
UDIN: 23106109BGZHDE3469

Sd/-                      Sd/-  
**Rajnish Matta Reshma M**  
Chief Financial Officer    Company Secretary

Place : Bangalore  
Date : 30-May-2023

Place : Surat  
Date:30-May-2023

**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](mailto:compliance.officer@parammount.com)

**website :** [www.parammount.com](http://www.parammount.com)