

PARY & CO

CHARTERED ACCOUNTANT

Independent Auditor's Report on the Half Yearly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

Report on the audit of the Financial Results

We have audited the accompanying statement of half yearly and year to date financial results of Paramount Cosmetics (India) Limited (the "Company") for the half year ended 31 March 2020 and for the year ended 31 March 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting policies generally accepted in India, of the net profit and other financial information of the Company for the half year ended 31 March 2020 and for the year ended 31 March 2020.

Basis for Opinion

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

Emphasis of matters:

We draw attention to note no. 8 of the audited stand-alone financial results, as regards the management's evaluation of COVID-19 pandemic impact on the future performance of the company.

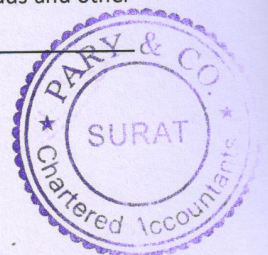
Attention is invited to note no. 9 of the audited stand-alone financial results regarding inventory as at 31 March 2020. The company has applied rollback procedures on physical verification carried out after the year end to arrive at the physical status of the year end inventory. We have applied alternate audit procedures and have relied upon the system/ procedures applied in arriving year end inventory on hand by the management.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation of the financial results that give true and fair view of the net profit and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

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irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 control 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 with reference of financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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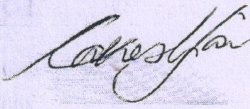
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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

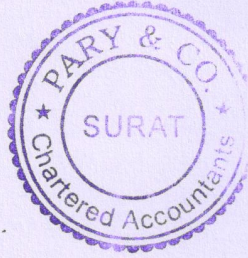
We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the result of the Half Year ended 31 March 2020 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the published audited year to date figures up to the end of the half year ended on 30 September 2019, which were subject to limited review by us, as required under the Listed Regulations.

For PARY & CO.
Chartered Accountants
FRN – 007288C



CA Rakesh Kumar Jain
Partner
Membership No.: 106109



Date: 30 September 2020
Place: Surat
UDIN: 20106109AAAAAD1275

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PARAMOUNT COSMETICS (INDIA) LIMITED

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

Corporate Office: #902 – 904, Prestige Meridian – I, 9th Floor, 29, M. G. Road, Bangalore – 560001**Statement of Assets and Liabilities**

(All amounts in Indian Rupees, unless otherwise stated)

(Amount in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	(Audited)	(Audited)
A. ASSETS		
(a) Non-Current Assets		
Fixed assets		
Property, plant & Equipment	818.59	939.41
Capital Work in Progress	-	6.84
Other Intangible Assets	1004.71	1000.92
Investments	0.43	0.43
Deferred tax assets (net)	47.21	42.77
Other Non-Current Assets	599.98	607.90
(b) Current assets		
Inventories	1571.92	1744.33
Financial Assets		
Trade receivables	665.38	319.13
Cash and Cash Equivalents	35.91	25.25
Bank Balances other than above	50.92	49.65
Current Loans and Advances	85.58	43.89
Other Current Assets	41.85	39.65
TOTAL - Assets	4922.48	4820.17
B. EQUITY AND LIABILITIES		
(a) Shareholders' funds		
Share capital	485.50	485.50
Other Equity	1451.19	1462.96
LIABILITIES		
Non-current liabilities		
Financial Liabilities	566.71	715.42
Non-Current Borrowings	89.64	67.78
Non-Current Provisions	98.32	22.00
Other Non-Current Liabilities		
Current liabilities		
Financial Liabilities		
Current Borrowings	1094.26	1135.91
Trade Payables	261.82	345.06
Other Financial Liabilities	167.14	246.28
Other current Liabilities	564.90	272.82
Provisions	20.30	15.59
Current Tax Liabilities (Net)	122.70	50.85
TOTAL - Equity and Liabilities	4922.48	4820.17

For and on behalf of the Board

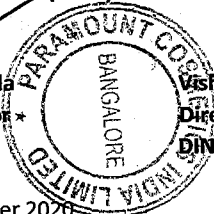
Paramount Cosmetics (India) Limited

Hiitesh Topiwaalla
Managing Director

DIN: 01603345

Place: Bangalore

Date: 30 September 2020

Vishwajeet N Mehta
Director

DIN: 02800993

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Statement of Audited Financial Results for the Half Year and Year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

(Rupees in Lakhs)

PARTICULARS	For the Quarter Ended			For the Year Ended	
	31-Mar-2020	31-Dec-2019	31-Mar-2019	31-Mar-2020	31-Mar-2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
A Revenue from operations	378.14	565.21	721.98	2417.95	2186.30
B Other Income	0.01	2.22	(0.76)	3.80	4.62
C Total Revenue (A + B)	378.15	567.43	721.22	2421.75	2190.92
D Expenses:					
Cost of raw material consumed	(45.57)	147.63	152.19	433.08	397.80
Changes of inventories	(55.33)	2.37	91.34	184.62	133.35
Employee benefits expense	113.40	99.13	85.66	494.55	530.05
Finance costs	45.00	60.04	57.80	225.22	250.37
Depreciation and amortization expense	37.58	29.37	36.46	124.67	142.55
Other expenses	300.38	191.94	251.43	914.11	685.44
Total – Expenses	395.47	530.48	674.88	2376.26	2139.56
E Profit before tax (C - D)	(17.32)	36.96	46.34	45.49	51.36
F Tax expense:					
Current tax expenses related to current year	3.66	5.36	43.54	14.97	47.36
Current tax expenses related to Prior Year	-	14.29	17.08	46.74	17.08
Deferred Tax	28.71	(0.38)	3.01	(4.44)	(0.32)
G Profit for the period (E-F)	(42.37)	17.69	(17.29)	(11.770)	(12.76)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-
Items that will not be reclassified subsequently to Profit or Loss	-	-	-	-	-
i Remeasurement of net defined benefit plans	4.34	-	16.61	4.34	16.61
ii Income Tax relating to remeasurement of net defined benefit plans	-	-	(4.28)	-	(4.28)
Total Other Comprehensive Income (Net of Tax)	4.34	-	12.33	4.34	12.33
H Total Comprehensive Income for the period	(38.03)	17.69	(4.96)	(7.43)	(0.43)
I Paid Up equity share capital (Face/Paid up value of Rs. 10)	485.50	485.50	485.50	485.50	485.50
J Earnings per Equity Share - After extraordinary items (not annualised):	(0.87)	0.36	(0.36)	(0.24)	(0.26)
Basic and Diluted Earnings Per Share (EPS)	(0.87)	0.36	(0.36)	(0.24)	(0.26)

For and on behalf of the Board

Paramount Cosmetics (India) Limited

Hiitesh Topiwaalla
Managing Director

DIN: 01603345

Place: Bangalore

Date: 30 September 2020

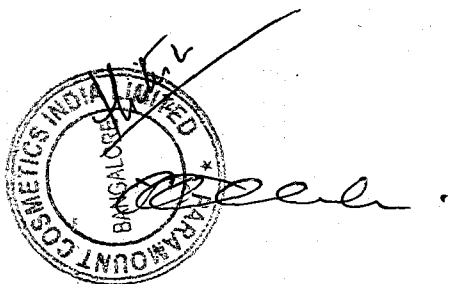


Vishwajeet N Mehta
Director

DIN: 02800993

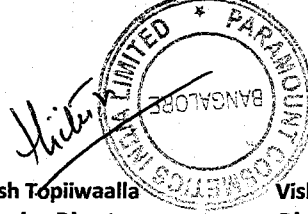
Notes:

1. The requirement of AS-17th "Segment Reporting" is not applicable to the Company as it is engaged in single business segment.
2. The Audited Financial Statements for the half yearly ended and year ended on March 31, 2020 have been reviewed and recommended by the audit committee at its meeting held on September 30, 2020 and approved by the Board of Directors at its board meeting held on September 30, 2020. The Statutory Auditor have expressed an unqualified opinion on the said financial statements.
3. The above audited Financial statements are prepared in accordance with accounting standards as issued by the Institute of Chartered Accountants of India and as specified in Section 133 of the Companies Act, 2013 and the relevant rules thereof and in accordance with Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
4. The figures for the quarterly ended 31 March 2020 and for the quarterly year ended 31 March 2019, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the three months ended 30 June 2019 30 September 2019 December 2019 and March 2020 respectively. The figures up to the end of the three months period ended 30 June 2019 30 September 2019 and December 2019 were subjected to a limited review by the Statutory Auditors of the Company.
5. Previous period figures have been regrouped/re-classified wherever necessary to make the same comparable.
6. Earnings per share for the three months ended 31 March 2020, 30 September 2019 December 2019 June 2019 and 31 March 2019, have been calculated for three months and are not annualized.
7. The company is not having any subsidiary, associate or joint venture; therefore, it has prepared only standalone results.
8. The outbreak of COVID-19 pandemic globally and In India is causing significant disturbance and slowdown of economic activities. COVID-19 has caused interruption in production, supply chain disruption, on availability of manpower, etc., during the last week of March 2020 and thereafter. The management of the company has exercised due care in concluding significant accounting judgments and estimates in preparation of the financial results. In assessing recoverability of trade receivables, the company has considered subsequent recoveries, past trends, credit risk profiles of the customers and internal and external information available up to the date of issuance of these financial results. However, due to COVID-19 pandemic, the company could not obtain balance confirmation from its receivables. In assessing the recoverability of inventories, the company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the company is of the view that the carrying amounts of trade receivables and inventories are expected to be realizable to the extent shown in the financial results. Impact of COVID-19 is highly uncertain and may be different from the estimates as at the date of approval of these financial results and the company will continue to closely monitor any material changes in future economic conditions. The company's management has made initial assessment of likely adverse impact on the business and financial risk and believes that impact is likely to be short term in nature. The management does not see any medium to long term risk in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
9. Due to COVID-19 pandemic related lockdown in India as at March 31, 2020, the Company was not able to undertake year end physical verification of inventory and the same has been carried out by the management subsequent to the date of the balance sheet. Due to this lock down, the Auditors were also not able to participate in the physical verification of inventory. The company has consequently applied the roll back procedures to arrive at the physical status of year-end inventory for the purpose of finalization of accounts for the financial year 2019-20.
10. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the half year and year ended March 31, 2020. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax.



11. As per requirements of regulation 33 of the Securities and Exchange Board of India, the company is required to publish financial results. Investors can view the audited financial results of the company for the half year and year ended 31 March 2020 on the Company's website www.parammount.com or on www.nseindia.com, the website of National Stock Exchange (NSE).

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



Hiitesh Topiiwaalla
Managing Director
DIN : 01603345

Vishwajeet N Mehta
Director
DIN: 02800993

Date: 30 September 2020
Place: Bangalore

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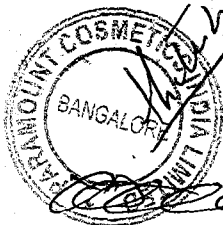
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Cash Flow Statement for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

(Amount in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from operating activities		
Profit/(Loss) after tax	(11.77)	51.35
Depreciation / Amortization	124.67	142.55
Interest Expenses	225.22	250.37
Interest Income	(2.29)	(2.57)
Provision for Income Tax	57.27	---
Operating Profit before working capital changes	393.10	441.52
Movements in working Capital:		
(Decrease) / increase in Trade Payables	(83.24)	186.61
(Decrease) / Increase / Liabilities and provisions		45.66
(Decrease) / Increase in other Financial liabilities	(79.14)	
(Decrease) / Increase in other current liabilities	292.08	
(Decrease) / increase in short-term provisions	4.71	
(Decrease) / increase in non-current provisions	21.85	
(Decrease) / Increase in other non-current liabilities	76.32	
(Decrease) / Increase in Current Tax Liability	10.14	
Decrease / (Increase) in Other Non-current assets	7.93	60.63
Decrease / (Increase) in inventories	172.41	(25.45)
Decrease / (Increase) in trade receivables	(346.26)	(305.16)
Decrease / (Increase) in Other Bank balances	(1.27)	14.08
Decrease / (Increase) in current loans and advances	(41.69)	
Decrease / (Increase) in other current assets	(2.19)	32.94
Cash generated from / (used in) Operations	424.76	450.83
Direct Taxes Paid (Net of Refunds)		9.55
Net cash flow from / (used in) operating activities(A)	424.76	441.28
Cash Flow from investing activities		
Sale of Fixed Assets	6.84	
Purchase of Fixed Asset	(7.64)	(23.30)
Interest Income	2.29	2.75
Net cash flow from / (used in) investing activities (B)	1.49	(20.55)
Cash Flows from financing activities		
Increase (Decrease) in Long Term Borrowings	(148.71)	32.19
Increase (Decrease) in Working Capital Borrowings	(41.65)	(25.24)
Interest Expense	(225.22)	(250.37)
Restatement of compound financial instrument		(202.05)
Net cash flow from / (used in) financing activities (C)	(415.58)	(445.46)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	10.66	(24.73)
Cash and cash equivalents at the beginning of the year	25.25	49.98
Cash and Cash Equivalents at the end of the year	35.91	25.25
Components of Cash and Cash Equivalents		
Cash on Hand	34.87	24.60
With Banks	1.04	0.65
Total Cash and Cash Equivalents	35.91	25.25




Notes:


(i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 'Cash Flow Statements' specified under Section 133 of the Companies Act, 2013.

(ii) Figures in bracket indicate Cash outgo.

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


Hiitesh Topiwala
Managing Director
DIN: 01603345




Vishwajeet N Mehta
Director
DIN: 02800993

Place: Bangalore

Date: 30 September 2020