



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MRIGNAYANI COSMETICS PRIVATE LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS:**

**OPINION:**

We have audited the accompanying financial statements of MRIGNAYANI COSMETICS PRIVATE LIMITED, which comprise the Balance Sheet as at 31st March, 2019 and the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Profit(or)Loss)

**BASIS FOR OPINION:**

We conducted our audit in accordance with the standards on auditing specified u/s 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report 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 standalone 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 conclude that there is a material misstatement of this other information, we are

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparations and presentation of financial statements that give an true and fair view and are free from material misstatements, 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 also responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF 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:





**MRIGNAYANI COSMETICS PRIVATE LIMITED**

- 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

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:**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Companies Act, 2013, 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 purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
- c) The Balance Sheet and the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with books of account.
- d) In our opinion, the Balance Sheet and the Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standard referred to in Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- f) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
  - i) The company has disclosed the impact of pending litigation on its financial position in its financial statement.
  - ii) The company has made provisions, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

For Lunia Singh Mohanty & Co.  
Chartered Accountants  
Firm Reg. No. 323912E



*Narendra Lunia*

(N. K. Lunia)  
Partner

Membership No. 057660

Date : 26<sup>th</sup> June, 2019.



**"Annexure A" to the Independent Auditor's Report of MRIGNAYANI COSMETICS PRIVATE LIMITED**  
**(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the**

As required by the Companies (Auditors' Report) Order 2016 issued by the Department of Company Affairs in terms of Section 143 (11) of the Companies Act, 2013 and on the basis of such checks as we considered appropriate, we further report that: -

- i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The management at reasonable intervals has physically verified all the fixed assets. No material discrepancies were noticed on such verification.
- ii) The management has conducted physical verification of inventory at reasonable intervals. No discrepancies were noticed on physical verification.
- iii) In respect of transactions entered in the register maintained in pursuance of section 189 of the Companies Act, 2013 the terms and conditions of such contracts and arrangements are not prejudicial to the company's interest.
- iv) The Company has not given any loans or guarantees or made any investments covered under the provision of sections 185 and 186 of the Companies Act, 2013 during the year under review.
- v) The company has not accepted deposits from the public.
- vi) To the best of our knowledge and as explained, the Central Government has not prescribed for maintenance of cost records for the products of the Company.
- vii) In our opinion and according to the information and explanations given to us statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Goods & Service Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax and Cess is paid within due date wherever applicable.
- viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank. The Company does not have any borrowings by way of debentures.
- ix) The Company has not raised money by way of initial public offer or further public offer including debt instruments and term loans.
- x) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- xi) The provisions of section 197 are not applicable to the company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
- xiii) Based on our audit procedures all the transactions entered into by the company with the related parties are in compliance with sections 188 of Companies Act, 2013 details of which have been disclosed in the financial statements.
- xiv) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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**For Lunia Singh Mohanty & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 323912E**



*Narendra Lunia*

**(N. K. Lunia)**  
**Partner**

**Membership No. 057660**

Date : 26<sup>th</sup> June 2019.

**MRIGNAYANI COSMETICS PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Note No.	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>A EQUITY &amp; LIABILITIES</b>			
<b>1. Shareholders' Funds:</b>			
(a) Share Capital	3	4,247,000.00	4,247,000.00
(b) Reserve & Surplus	4	12,850,213.02	12,858,574.54
		<u>17,097,213.02</u>	<u>17,105,574.54</u>
<b>2. Share Application Money pending allotment</b>		-	-
<b>3. Non-current Liabilities</b>			
(a) Long-term Borrowings	5	21,885,340.14	23,455,439.14
		<u>21,885,340.14</u>	<u>23,455,439.14</u>
<b>4. Current Liabilities</b>			
(a) Trade Payables (Other than MSME)	6	15,152,716.44	16,039,499.53
(b) Other Current Liabilities	7	208,304.66	9,169,565.40
(c) Short-term Provisions	8	42,700.00	334,529.00
		<u>15,403,721.10</u>	<u>25,543,593.93</u>
<b>Total</b>		<b><u>54,386,274.26</u></b>	<b><u>66,104,607.61</u></b>
<b>B ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, plant & Equipment Tangible Assets	9.A	3,531,122.00	4,298,914.00
		<u>3,531,122.00</u>	<u>4,298,914.00</u>
(b) Non-current Investments	10	79,550.00	79,550.00
(c) Long-term Loans & Advances	11	912,587.23	828,901.23
		<u>992,137.23</u>	<u>908,451.23</u>
<b>2. Current Assets</b>			
(a) Inventories	12	31,194,141.99	28,408,223.87
(b) Trade Receivables	13	-	15,345,305.42
(c) Cash and Cash Equivalents	14	707,635.66	843,349.34
(d) Short-term Loans & Advances	15	17,961,237.38	16,300,363.75
		<u>49,863,015.03</u>	<u>60,897,242.38</u>
<b>Total</b>		<b><u>54,386,274.26</u></b>	<b><u>66,104,607.61</u></b>

See accompanying Notes forming part of the financial statements

This is the Balance Sheet referred to in terms of our report of even date.

For Lunia Singh Mohanty & Co.  
Chartered Accountants  
Firm Reg. No. 323912E



*Narendra Lunia,*

(N. K. Lunia)  
Partner  
Membership No. 057660

Mrignayani Cosmetics Pvt. Ltd.

*(Signature)*

Director

(Manish Agarwala, DIN-00437803)

Mrignayani Cosmetics Pvt. Ltd.

*(Signature)*

Director

(Rajesh Kumar Jhajharia, DIN-00437875)

Place : Kolkata.

Date : 26<sup>th</sup> June, 2019.



**MRIGNAYANI COSMETICS PRIVATE LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2019**

Particulars		Note No.	As at 31.03.2019 ₹	As at 31.03.2018 ₹
<b>CONTINUING OPERATIONS</b>				
1.	Revenue from Operations	16	29,825,538.72	26,667,426.00
2.	Other Income	17	286,708.00	104,503.00
3.	<b>Total Revenue</b>		<b>30,112,246.72</b>	<b>26,771,929.00</b>
4.	<b>Expenses</b>			
(a)	Cost of Product sold	18	21,304,891.78	16,402,272.41
(b)	Employee Benefits Expense	19	1,099,194.00	1,200,176.00
(c)	Finance Costs	20	952,082.10	969,130.60
(d)	Depreciation & Amortization Expense	9.B	837,792.00	872,356.00
(e)	Other Expenses	21	5,790,010.21	7,178,278.40
	<b>Total Expenses</b>		<b>29,983,970.09</b>	<b>26,622,213.41</b>
5.	<b>Profit/(Loss) before Exceptional &amp; Extraordinary Items &amp; Tax (3 - 4)</b>		<b>128,276.63</b>	<b>149,715.59</b>
6.	Exceptional Items	22.a	-	-
7.	<b>Profit/(Loss) before Extraordinary Items &amp; Tax (5 ± 6)</b>		<b>128,276.63</b>	<b>149,715.59</b>
8.	Extraordinary Items	22.b	-	-
9.	<b>Profit/(Loss) before Tax (7 ± 8)</b>		<b>128,276.63</b>	<b>149,715.59</b>
10.	<b>Tax Expense:</b>			
(a)	Current Tax Expense for Current Year		62,700.00	46,422.00
(b)	Current Tax Expense Relating to Prior Years		73,938.15	8,431.00
(c)	Net Current Tax Expense		136,638.15	54,853.00
(d)	Deferred Tax		-	-
			136,638.15	54,853.00
11.	<b>Profit/(Loss) from Continuing Operations (9 ± 10)</b>		<b>(8,361.52)</b>	<b>94,862.59</b>
12.	<b>Profit/(Loss) for the Year</b>		<b>(8,361.52)</b>	<b>94,862.59</b>
13.i	<b>Earnings per Share (of ₹10/- each):</b>			
(a)	Basic			
	Continuing Operations		(0.02)	0.22
(b)	Diluted			
	Continuing Operations		(0.02)	0.22
13.ii	<b>Earnings per Share (excluding extraordinary items) (of ₹10/- each):</b>			
(a)	Basic			
	Continuing Operations		(0.02)	0.22
(b)	Diluted			
	Continuing Operations		(0.02)	0.22
See accompanying Notes forming part of the financial statements				

This is the Profit & Loss Account referred to in terms of our report of even date.

**For Lunia Singh Mohanty & Co.**

Chartered Accountants

Firm Reg. No. 323912E



*Naranda Lunia,*

(N. K. Lunia)

Partner

Membership No. 057660

**Mrignayani Cosmetics Pvt. Ltd.**

*[Signature]*

Director

(Manish Agarwala, DIN-00437803)

**Mrignayani Cosmetics Pvt. Ltd.**

*[Signature]*

Director

(Rajesh Kumar Jhajharia, DIN-00437875)

Place : Kolkata.

Date : 26<sup>th</sup> June, 2019.