

P. Senthamarai Kannan

CA

Chartered Accountant

337/4, Second Avenue, Above Santosh Super Market, Anna Nagar, Chennai 600040

Phone: 26267515, 9841065395.

INDEPENDENT AUDITOR'S REPORT

To The Members of Parry Chemicals Limited

Report on the Ind AS Financial Statements

I have audited the accompanying Ind AS financial statements Parry Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these Ind AS financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

I conducted my audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Ind AS financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, I report that:
 - a. I have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of my audit.
 - b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In my opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 my separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations except those mentioned in Note No.16-2.14 of the financial statements which would impact its financial position.
 - ii. The Company does not have any pending litigations which would impact its financial position.



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- iii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iv. There were no amounts which were, required to be transferred, to the Investor Education and Protection Fund by the Company.



Place: Chennai

Date:

For P. Senthamarai Kannan
Chartered Accountant

P. Senthamarai Kannan
018206

Membership No. : 18206



P. Senthamarai Kannan

Chartered Accountant

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ANNEXURE 'A'

The Annexure referred to in paragraph 1 of the my Report of even date to the members of PARRY CHEMICALS LIMITED on the accounts of the company for the year ended 31st March, 2018.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- ii. The Company does not have any inventories and hence Clause 3(ii) of the Order is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. The Company has not given any loans, guarantees or security or acquired any investments and hence the applicability of provisions of Section 185 and 186 of the Companies Act, 2013 does not arise.
- v. The company has not accepted any deposits during the year. Hence Clause 3(v) of the Order is not applicable.
- vi. The Company being a Service Company, Clause 3(vi) of the Order relating to maintenance of cost records is not applicable.
- vii. (a) According to the information and explanations given to us, and records of the Company examined by me, in my opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable, with the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at 31st March 2018 for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii. The Company has not borrowed any amounts from any financial institution, bank or debenture holders..
- ix. The Company has not raised by way of initial public offer or further public offer (including debt instruments) and term loans.



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- x. During the course of my examination of the Books and Records of the Company carried out in accordance with the Generally Accepted Auditing Practices in India and according to the information and explanations given to me, I have neither come across any instance of fraud on or by the Company noticed or reported during the year nor have I been informed of such case by the Management.
- xi. The Company has not paid any managerial remuneration during the year except Sitting fees paid to Independent Directors which are in compliance with the provisions of Section 197 of the Companies Act, 2013.
- xii. The provisions of clause (xii) are not applicable to the company as it is not a Nidhi Company.
- xiii. According to the information and explanations given to me, the company has complied with section 177 and 188 of the Act wherever applicable and has disclosed the transactions with related parties as required by the applicable accounting standards
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under Section 42 of the Act.
- xv. According to the information and explanations given to me, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- xvi. According to the information and explanations given to me, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.



Place: Chennai

Date:

For P. Senthamarai Kannan
Chartered Accountant

Membership No. 018206



P. Senthamarai Kannan

CA

Chartered Accountant

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ANNEXURE 'B'

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF PARRY CHEMICALS LIMITED**

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

I have audited the internal financial controls over financial reporting of PARRY CHEMICALS LIMITED ("the Company") as of March 31, 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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.



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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Senthamarai Kannan
Chartered Accountant

Membership No. 18206

Place: Chennai

Date:

018206



PARRY CHEMICALS LIMITED
Balance Sheet as at 31 March 2018
(Rs. in lakhs, unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	1	16.05	16.05
(b) Financial assets			
i) Loans	2		
(c) Other non-current assets	3	760.72	394.62
		<u>776.77</u>	<u>410.67</u>
2 Current assets			
(a) Financial assets			
i) Cash and cash equivalents	4	4.53	21.89
ii) Loans	2	776.84	725.07
iv) Other financial assets	5	30.63	32.15
(b) Other current assets	6	24.78	405.91
		<u>836.78</u>	<u>1,185.02</u>
Total assets		<u><u>1,613.55</u></u>	<u><u>1,595.69</u></u>
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	7	1,000.00	1,000.00
(b) Other equity	8	601.04	592.57
Total equity		<u>1,601.04</u>	<u>1,592.57</u>
2 Non-current liabilities			
(a) Other non-current liabilities	9	1.00	1.00
		<u>1.00</u>	<u>1.00</u>
3 Current liabilities			
(a) Financial liabilities			
i) Trade payables	11	1.10	1.05
(b) Other current liabilities	10	10.40	1.07
		<u>11.50</u>	<u>2.12</u>
Total liabilities		<u>12.50</u>	<u>3.12</u>
Total equity and liabilities		<u><u>1,613.55</u></u>	<u><u>1,595.69</u></u>
Refer accompanying notes forming part of the financial statements	16		

In terms of our report attached

For and on behalf of the Board of Directors

P. Senthamarai Kannan
018206

P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206

Place: Secunderabad
Date:



G. Veerabadram
G. VEERABADRAM
CHAIRMAN
S. Rajkannan
S. Rajkannan
Chief Financial Officer

S. Sankarasubramanian
S. SANKARASUBRAMANIAN
Director
Pritam Vartak
Pritam Vartak
Company Secretary

PARRY CHEMICALS LIMITED

Statement of Profit and Loss for the Period ended 31 March 2018

(Rs. in lakhs, unless otherwise stated)

	Note	For the period ended 31 March 2018	For the period ended 31 March 2017
I Income			
Revenue from operations	12	36.71	40.52
Other income	13	56.53	70.03
Total income		<u>93.24</u>	<u>110.55</u>
II Expenses			
Finance costs	14	-	0.14
Other expenses	15	76.14	58.71
Total expenses		<u>76.14</u>	<u>58.85</u>
III Profit before tax (I - II)		17.10	51.70
IV Tax expense:			
(1) Current tax		3.26	9.85
(2) MAT credit utilised		5.36	8.07
		<u>8.62</u>	<u>17.92</u>
V Profit for the year (III - IV)		<u>8.48</u>	<u>33.78</u>
VI Other comprehensive income			
VII Total comprehensive income for the year (VII + VIII)		<u>8.48</u>	<u>33.78</u>
VIII Earnings per equity share of Rs.10/- each		0.08	0.34
Basic (Rs.)		0.08	0.34
Diluted (Rs.)			
Refer accompanying notes forming part of the financial statements	16		

In terms of our report attached

For and on behalf of the Board of Directors

[Signature]
018206

P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206

Place: Secunderabad
Date:



[Signature]

G.VEERABADRAM
CHAIRMAN

[Signature]
S. Rajkannan
Chief Financial Officer

[Signature]

S. SANKARASUBRAMANIAN
Director

[Signature]
Pritam Vartak
Company Secretary



Cash Flow Statement for the period ended 31 March 2018
(Rs. in lakhs, unless otherwise stated)

	2017-18		2016-17
	Rs.	Rs.	Rs.
Cash Flow from Operating Activities			
Net Profit Before Tax as per Profit & Loss A/c.		17.10	51.70
Adjustments for:			
Interest received	(56.53)		(70.03)
Depreciation	14.96		8.16
Interest expenses	-	(41.57)	0.14
			(61.73)
Operating Profit Before Working Capital Changes		(24.47)	(10.03)
Adjustments for			
(Increase) / Decrease in Loans	(51.77)		(725.07)
(Increase) / Decrease in Financial Assets	1.52		(27.02)
(Increase) / Decrease in Other Current Assets	379.13		(216.18)
Increase / (Decrease) in Trade Payable	0.05		-
Increase / (Decrease) in Other Liabilities	9.33	338.26	(4.31)
			(972.58)
Cash Generated from Operations		313.79	(982.61)
Interest Paid	-		(0.14)
Direct Taxes Paid	(6.60)	(6.60)	(11.03)
			(11.17)
Net Cash flow from Operating Activities		307.19	(993.78)
Cash Flow from Investing Activities			
Purchase of Leasehold Land	(381.08)	(324.55)	70.03
Interest Received on ICD	56.53		70.03
			-
Cash Flow from Financing Activities			
Net Increase / (Decrease) in Cash Flows		(17.36)	(923.74)
Cash & Cash Equivalents at the beginning of the Year (Cash & Bank Balances)		21.89	945.63
Cash & Cash Equivalents at the end of the Year (Cash & Bank Balances)		4.53	21.89

In terms of our report attached

For and on behalf of the Board of Directors

P. Senthamarai Kannan
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P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206

Place: Secunderabad
Date:



G. Veerabadram
G. VEERABADRAM
CHAIRMAN

S. Rajkannan
S. Rajkannan
Chief Financial Officer

S. Sankarasubramanian
S. SANKARASUBRAMANIAN

Director

Pritam Vartak
Pritam Vartak
Company Secretary



PARRY CHEMICALS LIMITED

Statement of Changes in Equity for the Period ended 31st March 2018

(Rs. in lakhs, unless otherwise stated)

a. Equity share capital

	Number of shares	Amount
Balance as at 31 March 2017	1,00,00,000	10,00,00,000
Balance as at 31 March 2018	1,00,00,000	10,00,00,000

b. Other equity

Particulars	Reserves and Surplus	
	Retained earnings	Total
Balance at April 1, 2016	558.79	558.79
Profit for the year	33.78	33.78
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	33.78	33.78
Payment of dividends	-	-
Amount received on exercise of employee stock options	-	-
Transfer to retained earnings	-	-
Amounts transferred within the reserves	-	-
Balance at March 31, 2017	592.57	592.57
Balance at April 1, 2017	-	-
Profit for the year	8.48	8.48
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	8.48	8.47
Payment of dividends	-	-
Amount received on exercise of employee stock options	-	-
Transfer to retained earnings	-	-
Amounts transferred within the reserves	-	-
Balance at 31 March 2018	601.05	601.05

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

P. Senthamarai Kannan
018206

P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206



Place: Secunderabad
Date:



G. Veerabadram
G. VEERABADRAM
CHAIRMAN

S. Rajkannan
S. Rajkannan
Chief Financial Officer

S. Sankarasubramanian
S. SANKARASUBRAMANIAN
Director

Pritam Vartak
Pritam Vartak
Company Secretary

PARRY CHEMICALS LIMITED
Notes forming part of the financial statements
(Rs. in lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
1 Property, plant and equipment		
Carrying amounts of:		
Freehold land	16.05	16.05
	<u>16.05</u>	<u>16.05</u>
2 Financial assets: Loans		
Financial assets carried at amortised cost (Unsecured, considered good)		
Loans and advances to related parties	-	0.07
Inter-corporate deposits	776.84	725.00
Others	-	-
	<u>776.84</u>	<u>725.07</u>
Current	776.84	725.07
Non-current	-	-
	<u>776.84</u>	<u>725.07</u>
3 Other non-current assets		
Pre-payment for leasehold land	760.72	394.62
	<u>760.72</u>	<u>394.62</u>
4 Cash and cash equivalents		
Cash on hand	-	-
Balances with Banks:		
On Current accounts	4.53	11.75
On Deposit accounts	-	10.14
	<u>4.53</u>	<u>21.89</u>
Financial assets carried at amortised cost		
Interest accrued but not due on deposits, loans, others	30.63	32.15
	<u>30.63</u>	<u>32.15</u>
Current	30.63	32.15
Non-current	-	-
	<u>30.63</u>	<u>32.15</u>
6 Other current assets		
Advances recoverable in kind or for value to be received		
Considered good	1.96	381.07
Advance payment of income tax - (Net of provision for taxation)	15.89	12.56
MAT credit entitlement	6.93	12.28
	<u>24.78</u>	<u>405.91</u>



PARRY CHEMICALS LIMITED
Notes forming part of the financial statements
(Rs. in lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
7 Equity		
7.1 Equity share capital		
Authorised Share capital :		
1,00,00,000 fully paid equity shares of Rs.10 each (2017:		
1,00,00,000 equity shares of Rs.10 each)	1000.00	1000.00
Issued and subscribed capital comprises:		
1,00,00,000 Equirt Shares of Rs.10/- each (2017: 1,00,00,000		
Equity Shares of Rs.10/- each)	1,000	1,000
	1,000	1,000
7.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:		
	Numbers of	Amount
Balance as at 1 April 2016	1,00,00,000	1,000
Add: Equity shares allotted during the Quarter	-	-
Balance as at 31 March 2017	1,00,00,000	1,000
Add: Equity shares allotted during the Quarter	-	-
Balance as at 31 March 2018	1,00,00,000	1,000
7.3 Rights, preferences and restriction relating to each class of share capital:		
Equity shares: The Company has one class of equity shares having a face value of Rs.10/- each . Each shareholder is eligible for one vote per share held.		
7.4 As at 31 March 2018 and 31 March 2017 the entire Paid up Capital is held by Coromandel International Ltd., the Holding Company.		
8 Other equity		
Retained earnings	601.04	592.57
	601.04	592.57
Retained earnings		
Balance at beginning of the Year	592.57	558.80
Profit for the period	8.48	33.78
	601.04	592.57
9 Other non-current liabilities		
Financial liabilities carried at amortised cost		
Security and trade deposits received	1.00	1.00
	1.00	1.00
Current	-	-
Non-current	1.00	1.00
	1.00	1.00



PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

(Rs. in lakhs, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
10 Other liabilities		
Advances from customers	-	-
Loans and advances due to related parties	9.89	-
Other liabilities (including statutory remittances)	0.51	1.07
	<u>10.40</u>	<u>1.07</u>
Current	10.40	1.07
Non-current	-	-
	<u>10.40</u>	<u>1.07</u>
11 Trade payables		
Due to Micro and Small enterprises	-	-
Others	1.10	1.05
	<u>1.10</u>	<u>1.05</u>
There are no dues/interests outstanding to Small and Micro Enterprises as at the Balance Sheet date.		
12 Revenue from operations		
The following is an analysis of the Company's revenue:		
	For the period ended 31 March 2018	For the period ended 31 March 2017
Sales	-	-
Other operating revenue	36.71	40.52
Total Revenue from operations	<u>36.71</u>	<u>40.52</u>
Other operating revenues comprise:		
Commission	34.31	38.12
Rent	2.40	2.40
Provision for liabilities no longer required, written back	-	-
	<u>36.71</u>	<u>40.52</u>
13 Other income		
Interest income	56.53	70.03
	<u>56.53</u>	<u>70.03</u>
14 Finance cost		
Interest expense	-	0.14
	<u>-</u>	<u>0.14</u>
15 Other expenses		
Rent	17.68	8.16
Rates and taxes	1.86	2.04
Travelling and conveyance	0.14	0.22
Professional and consultancy	9.56	5.96
Audit fees	1.43	1.55
Directors' sitting fees	1.38	1.67
Security charges reimbursed to Holding Company.	37.35	31.62
Service charges reimbursed to Holding Company.	6.74	7.48
Miscellaneous expenses	0.00	0.01
	<u>76.14</u>	<u>58.71</u>



Notes forming part of the financial statements

I General Information

The Company acts as an agent for trading Pesticides manufactured by Coromandel International Ltd.

2.1 Statement of compliance

2.2 Basis of preparation and presentation

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies are set out below.

Revenue is measured at the fair value of the consideration received or receivable. Revenue excludes recoveries towards Service tax and GST.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined based on the agreements/arrangements with the concerned parties and when services are rendered.

- Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.



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Notes forming part of the financial statements

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.7 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- **Current tax**

Current tax represents tax currently payable based on taxable profit for the year determined in accordance with the provisions of the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

- **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.9 Property, plant and equipment

Freehold Land is stated at cost plus registration charges.

2.10 Other Non Current Assets

Leasehold Land is stated at cost less amortization till date. The cost is amortised over the period of lease.



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Notes forming part of the financial statements

2.11 Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 or a reliable estimate of the amount cannot be made.

A contingent asset is a possible asset that may arise because of a gain that is contingent on future events that are not under an entity's control. Existence of the contingent asset is required to be disclosed when the inflow of economic benefits is probable.

2.12 Financial Instruments

Capital Management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

Categories of financial instruments	As at 31 March 2018	As at 31 March 2017
Equity	1000.00	1000.00
Short-term borrowings and current portion of long-term debt	-	-
Long-term debt	-	-
Net debt	-	-
Total capital (equity + net debt)	1000.00	1000.00
Equity	1000.00	1000.00



PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

Net debt to capital ratio	-	-
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Categories of financial instruments	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
(a) Cash and bank balances		
(b) Other financial assets at amortised cost	4.53	21.89
	807.47	757.22

Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

Item	Primarily affected by	Risk management policies
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cashflows; cash management policies; multiple-year credit and banking facilities

Credit risk arrangement

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.



PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

2.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1.1, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.14 Contingent Liabilities

Other monies for which the company is contingently liable:

(i) Income Tax Demands under Appeal –Rs.3.51 lakhs. (2016-17 – Rs.3.51 lakhs)

2.15 Related Party Disclosures

Information relating to Related Party Transactions as per Ind AS 24 notified under Section 133 of the Act.

a. Names of the Related Parties and their Relationship:

	Name of the Related Party	Relationship
(a)	Coromandel International Limited	Holding Company
(b)	Mr.G. Veerabhadram	Chairman
(c)	Mr.S. Sankarasubramanian	Director
(e)	Mr.P. Varadarajan	Director
(f)	Mr.R.V.V Satyanarayana	Director
(g)	Ms . A K Manjula Devi	Director

b. Transactions During the Year:

	Particulars	2017-18 Rs in lakhs	2016-17 Rs in lakhs
a)	Coromandel International Limited		
	From Coromandel International Limited		
	- Commission Received	34.31	38.12
	- Rental Income	2.40	2.40
	To Coromandel International Limited		
	- Reimbursement of Expenses	37.35	31.62
	- Service Charges	6.74	7.48
b)	Directors		
	- Sitting Fees Paid	1.38	1.67



PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

Particulars	2017-18 Rs in lakhs	2016-17 Rs in lakhs
- Reimbursement of Expenses	0.14	0.22

c. Outstanding Balances as at 31st March 2018:

Particulars	2017-18 Rs in lakhs	2016-17 Rs in lakhs
a) Coromandel International Ltd - Debit / (Credit)	(9.89)	0.07
b) Directors	NIL	NIL

2.16 Segment Reporting**Operating Business Segment:**

The Company acts as an agent for trading Pesticides manufactured by Coromandel International Ltd and this is the only operating segment

2.17 Earnings Per Share

	2017-18	2016-17
Profit after Tax as Per Profit & Loss Statement (Rs in lakhs)	8.48	33.78
Number of Shares	10000000	10000000
Earnings Per Share - Basic	0.08	0.34
Earnings Per Share - Diluted	0.08	0.34

2.18 Payments to Auditors

	Rs in lakhs	
	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Audit fees	1.00	1.00
Tax audit fees	0.20	0.29
Limited review	0.23	0.26
Total	1.43	1.55

2.19 Current tax Liabilities

Reconciliation of tax expense to the accounting profit is as follows:	Rs in lakhs	
	For the year ended 31 st March 2018	For the year ended 31 st March 2017
Accounting profit before tax	17.10	51.70
Tax expense at statutory tax rate 25.75% (PY 29%)	4.40	17.92
Adjustments:		
Effect of income that is exempt from tax		
Effect of expenses that are not deductible in determining taxable profit	4.22	2.48
Effect of concessions (research and development and other allowances)		
Effect of change in tax rate		
Others		
Tax expense reported in the Statement of Profit and Loss	8.62	17.92



PARRY CHEMICALS LIMITED
Notes forming part of the financial statements

2.20 Other Matters

Based on the information available with the Company, there are no dues/interests outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 (2017: Nil).

SIGNATURES TO NOTE Nos. -: 1 to 16

In terms of our report attached


018206
P. SENTHAMARAI KANNAN
Chartered Accountant
Membership No.18206

PLACE: SECUNDERABAD
DATE :



On Behalf of the Board of Directors




G. VEERABADRAM
Chairman


S. RAJKANNAN
Chief Financial Officer


S. SANKARASUBRAMANIAN
Director


PRITAM VARTAK
Company Secretary

