

PARRY CHEMICALS LIMITED

FINANCIAL STATEMENTS

For the year ended 31ST MARCH 2020



P. Senthamarai Kannan
Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

To The Members of PARRY CHEMICALS LIMITED

Report on the Ind Financial Statements

Opinion

I have audited the standalone financial statements of PARRY CHEMICALS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2019, and profit/loss, for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors is responsible for the other information. The other information comprises the board's report, annexures to Annual return included in the Annual report but does not include the Financial statements and our auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my 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 in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, we conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of 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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.



UDIN: 20018206AAAAAD6520

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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

A further description of my responsibilities for the audit of the financial statements is included in Appendix A of this auditor's report. forms part of my auditor's report

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, I give in Annexure B 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 Act, I report that:

I have sought and obtained all the information and explanations which to the best of my knowledge and belief are necessary for the purposes of my audit.

- (a) 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
- (b) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (c) In my opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (e) 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 C".
- (f) 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 my information and according to the explanations given to me
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company

For P. Senthamarai Kannan
Chartered Accountant

P. Senthamarai Kannan
018206
Membership No. 018206

Place: Chennai

Date: 23/05/2020



UDIN: 20018206AAAAAD6520

ANNEXURE 'A'

Auditor's Responsibilities for the Audit of the Ind Financial Statements

As part of an audit in accordance with SAs, I exercised professional judgment and maintain professional skepticism throughout the audit. I 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 my 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, I am also responsible for expressing my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

For P. Senthamarai Kannan
Chartered Accountant


Membership No. 018206

Place: Chennai
Date: 27/05/2020

UDIN: 20018206AAAAAD6520



ANNEXURE 'B'

The Annexure referred to in paragraph 1 of my Report of even date to the members of PARRY CHEMICALS LIMITED on the accounts of the company for the year ended 31st March, 2020.

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 me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies are noticed on such verification.
(c) The title deeds of immovable properties are held in the name of the company.
- 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 me, 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 goods and services act and any other statutory dues as applicable, with the appropriate authorities. There are no arrears of undisputed statutory dues outstanding as at 31st March 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to me, and the records of the Company examined by me, 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.
- 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.



UDIN: 20018206AAAAAD 6520

P. Senthamarai Kannan



Chartered Accountant

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

Phone: 26267515, 9841065395.

- 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.

For P. Senthamarai Kannan
Chartered Accountant


Membership No. 018206

Place: Chennai

Date: 27/05/2020

UDIN: 20018206AAAAAD6520



ANNEXURE 'C'

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, 2020 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

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.



UDIN: 20018206AAAAAD6520

P. Senthamarai Kannan

Chartered Accountant

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

Phone: 26267515, 9841065395.



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.

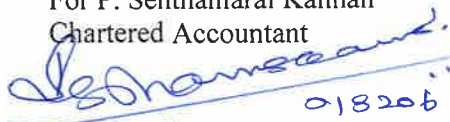
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2020, 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


018206

Membership No.18206

Place: Chennai

Date: 23/05/2020

U D I N : 20018206AAAAAD6520



PARRY CHEMICALS LIMITED
Balance Sheet as at 31 March 2020
(Rs. in lakhs, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	1	16.05	16.05
(b) Right of Use- Assets	3	728.61	-
(c) Other non-current assets	3	-	744.67
		<u>744.66</u>	<u>760.72</u>
2 Current assets			
(a) Financial assets			
i) Cash and cash equivalents	4	4.27	2.35
ii) Loans	2	856.79	805.00
iii) Other financial assets	5	38.37	36.92
(b) Other current assets	6	16.17	21.62
		<u>915.60</u>	<u>865.89</u>
Total assets		<u><u>1,660.26</u></u>	<u><u>1,626.61</u></u>
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	7	1,000.00	1,000.00
(b) Other equity	8	654.97	618.61
Total equity		<u>1,654.97</u>	<u>1,618.61</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	-	-
(a) Due to Micro enterprises and Small enterprises		-	-
(b) Due to Other than Micro enterprises and Small enterprises		3.89	1.20
(b) Other current liabilities	10	0.40	5.80
		<u>4.29</u>	<u>7.00</u>
Total liabilities		<u>5.29</u>	<u>8.00</u>
Total equity and liabilities		<u><u>1,660.26</u></u>	<u><u>1,626.61</u></u>

Refer accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors


018206
P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206
UDIN: 20018206AAAAAD6520
Place: Secunderabad
Date: 25/05/2020

Jayashree Satagopan
Director

S. Sankarasubramanian
Director

S. Rajkannan
Chief Financial Officer

Chiranjeevi Raju D
Company Secretary



PARRY CHEMICALS LIMITED
Statement of Profit and Loss for the Year ended 31 March 2020
(Rs. in lakhs, unless otherwise stated)

	Note	For the period ended 31 March 2020	For the period ended 31 March 2019
I Income			
Revenue from operations	12	26.39	26.36
Other income	13	68.00	66.55
Total income		94.39	92.91
II Expenses			
Finance costs	14	0.00	0.01
Depreciation and amortisation expense		16.06	-
Other expenses	15	24.39	62.57
Total expenses		40.45	62.58
III Profit before tax (I - II)		53.95	30.33
IV Tax expense:			
(1) Current tax		17.21	6.23
(2) MAT credit utilised		0.38	5.84
(3) Short Provision for earlier years.		-	0.71
		17.59	12.78
V Profit for the year (III - IV)		36.36	17.56
VI Other comprehensive income			
VII Total comprehensive income for the year (VII + VIII)		36.36	17.56
VIII Earnings per equity share of Rs.10/- each			
Basic (Rs.)		0.36	0.18
Diluted (Rs.)		0.36	0.18

Refer accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors



018206
P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206
UDIN: 20018206AAAAAD6520
Place: Secunderabad
Date: 25/05/2020

Jayashree Satagopan
Director

S. Sankarasubramanian
Chairman

S. Rajkannan
Chief Financial Officer

Chiranjeevi Raju D
Company Secretary



Cash Flow Statement for the year ended 31 March 2020
(Rs. in lakhs, unless otherwise stated)

	<u>2019-20</u>		<u>2018-19</u>	
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Net Profit Before Tax as per Profit & Loss A/c.		53.95		30.33
Adjustments for :				
Interest received	(68.00)		(66.55)	
Depreciation	16.06		16.06	
Interest expenses		(51.94)	0.01	(50.48)
Operating Profit Before Working Capital Changes		2.01		(20.15)
Adjustments for				
(Increase) / Decrease in Other Current Assets	0.88		(3.05)	
Increase / (Decrease) in Trade Payable	2.69		0.10	
Increase / (Decrease) in Other Liabilities	(5.39)	(1.82)	(4.60)	(7.55)
Cash Generated from Operations		0.19		(27.70)
Direct Taxes Paid	(13.02)	(13.02)	(6.57)	(6.57)
Net Cash flow from Operating Activities		(12.83)		(34.27)
Cash Flow from Investing Activities				
Inter-corporate deposits/ loans given	(856.79)		(805.00)	
Inter-corporate deposits matured/ loans received	805.00		776.84	
Interest Received on ICD&Others	66.53		60.26	
		14.74		32.10
Cash Flow from Financing Activities				
Interest Paid			(0.01)	
				(0.01)
Net Increase / (Decrease) in Cash Flows		1.91		(2.18)
Cash & Cash Equivalents at the beginning of the Year (Cash & Bank Balances)		2.35		4.53
Cash & Cash Equivalents at the end of the Year (Cash & Bank Balances)		4.27		2.35

In terms of our report attached

For and on behalf of the Board of Directors


018206

P. Senthamarai Kannan
Chartered Accountant
Membership No. 018206

VJIN:20018206AAAAD6520

Place: Secunderabad

Date: 25/05/2020



Jayashree Satagopam Sankarasubramanian
Director Chairman

S. Rajkannan Chiranjeevi Raju D
Chief Financial Officer Company Secretary

Statement of Changes in Equity for the year ended 31 March 2020
(Rs. in lakhs, unless otherwise stated)

	Number of shares	Amount
Balance as at 31 March 2020	1,00,00,000	10,00,00,000
Balance as at 31 March 2019	1,00,00,000	10,00,00,000

	Reserves and Surplus	
Particulars	Retained earnings	Total
Balance at 1 April , 2018	601.05	601.05
Profit for the year	17.56	17.56
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the period	17.56	17.56
Balance at 31st March, 2019	618.61	618.61
Balance at 1 April , 2019	518.61	618.61
Profit for the year	36.36	36.36
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the period	36.36	36.36
Balance at 31 March 2020	654.97	654.97

In terms of our report attached

UDIN: 20018226AAAAJ6520

Date:25/05/2020

Chiranjeevi Raju D
Company Secretary



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

	As at 31 March 2020	As at 31 March 2019
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)		
Inter-corporate deposits	856.79	805.00
	<u>856.79</u>	<u>805.00</u>
Current	856.79	805.00
Non-current	-	-
	<u>856.79</u>	<u>805.00</u>
3 Right of Use Assets/ Other non-current assets		
Pre-payment for leasehold land	744.67	760.73
Less: Depreciation on ROU	-16.06	-16.06
	<u>728.61</u>	<u>744.67</u>
4 Cash and cash equivalents		
Cash on hand	-	-
Balances with Banks:		
On Current accounts	4.27	2.35
	<u>4.27</u>	<u>2.35</u>
5 Financial assets carried at amortised cost		
Interest accrued but not due on deposits, loans, others	38.37	36.93
	<u>38.37</u>	<u>36.93</u>
Current	38.37	36.92
Non-current	-	-
	<u>38.37</u>	<u>36.92</u>
6 Other current assets		
Advances recoverable in kind or for value to be received		
Considered good		
Advance payment of income tax - (Net of provision for taxation)	12.07	16.25
MAT credit entitlement	-	0.38
GST Input Credit	4.11	4.99
	<u>16.17</u>	<u>21.62</u>

UDIN: 2008206AAAAAD6520



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

	As at 31 March 2020	As at 31 March 2019
7 Equity		
7.1 Equity share capital		
Authorised Share capital :		
1,00,00,000 fully paid equity shares of Rs.10 each (For the Year ended 31st March 2019 1,00,00,000 equity shares of Rs.10 each)	1000	1000
Issued and subscribed capital comprises:		
1,00,00,000 Equity Shares of Rs.10/each (For the year ended 31st March 2019 1,00,00,000 Equity Shares of Rs.10/each).	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
7.2 Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year:		
	<u>Numbers of Shares</u>	<u>Amount</u>
Balance as at 1 April 2018	1,00,00,000	1,000
Add: Equity shares allotted during the Quarter	-	-
Balance as at 31 March 2019	1,00,00,000	1,000
Add: Equity shares allotted during the Quarter	-	-
Balance as at 31st March 2020	<u>1,00,00,000</u>	<u>1,000</u>
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 31st March 2020 and 31st March 2019 the entire Paid up Capital is held by Coromandel International Ltd., the Holding Company.		

8 Other equity

Retained earnings	654.97	618.61
	<u>654.97</u>	<u>618.61</u>
Retained earnings		
Balance at beginning of the Year	618.61	601.05
Profit for the period	36.36	17.56
	<u>654.97</u>	<u>618.61</u>

9 Other non-current liabilities

Financial liabilities carried at amortised cost		
Security and trade deposits received	1.00	1.00
	<u>1.00</u>	<u>1.00</u>
Current	-	-
Non-current	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

DDIN: 20018 206AAAAAD 6520



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

10 Other liabilities

	As at 31 March 2020	As at 31 March 2019
Loans and advances due to related parties	-	5.49
Other liabilities (including statutory remittances)	0.40	0.31
	<u>0.40</u>	<u>5.80</u>
Current	0.40	5.80
Non-current	-	-
	<u>0.40</u>	<u>5.80</u>

11 Trade payables

Due to Micro and Small enterprises	-	-
Others	3.89	1.20
	<u>3.89</u>	<u>1.20</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 2020	For the period ended 31 March 2019
Sales	-	-
Other operating revenue	26.39	26.36
Total Revenue from operations	<u>26.39</u>	<u>26.36</u>
Other operating revenues comprise:		
Commission	23.99	23.92
Rent	2.40	2.40
Provision for liabilities no longer required, written back	-	0.04
	<u>26.39</u>	<u>26.36</u>

13 Other income

Interest income	68.00	66.55
	<u>68.00</u>	<u>66.55</u>

14 Finance cost

Other borrowing costs and charges	0.00	0.01
	<u>0.00</u>	<u>0.01</u>

15 Other expenses

Rent	-	16.06
Rates and taxes	1.85	1.86
Travelling and conveyance	0.00	0.07
Professional and consultancy	0.24	0.68
Audit fees	1.48	1.54
Directors' sitting fees	0.00	0.50
Security charges reimbursed to Holding Company.	14.30	35.36
Service charges reimbursed to Holding Company.	6.50	6.49
Miscellaneous expenses	0.00	0.01
	<u>24.39</u>	<u>62.57</u>

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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

Note No. 16

Accompanying Notes to Financial Statements for the Year Ended 31st March 2020:

1. General information

Parry Chemicals Ltd ("the Company") is a company incorporated under the Companies Act 1956 in India. It is a wholly owned subsidiary of Coromandel International Limited. The address of its registered office and principal place of business are disclosed in the annual report.

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

2.1 Significant Accounting Policies:

2.1 Statement of compliance

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

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.

2.3 Revenue recognition

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

2.4 Rendering of services

Income from services rendered is recognised based on the agreements/arrangements with the concerned parties and when services are rendered.

2.5 Dividend and interest income

- 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.

2.6 Leasing

The Company as a lessee

- At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") for its Lease Hold Land.
- The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value



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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

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.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to its One lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

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.



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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

2.9 Property, plant and equipment

Freehold Land is stated at cost plus registration charges.

2.10 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.

2.11 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.

The following table summarises the capital of the Company		
	As at 31 March 2020	As at 31 March 2019
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
Net debt to Capital Ratio	-	-



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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

Categories of financial instruments		
	As at 31 March 2020	As at 31 March 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at amortised cost		
(a) Cash and bank balances	4.27	2.35
(b) Other financial assets at amortised cost	895.16	841.92

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.

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.



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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

2.12 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.

2.13 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)	S. Sankarasubramanian	Chairman
(c)	Jayshree Satagopan	Director
(d)	P. Varadarajan	Director

b. Transactions During the Year:

	Particulars	2019-20 Rs in lakhs	2018-19 Rs in lakhs
a)	Coromandel International Limited		
	From Coromandel International Limited		
	- Commission Received	23.99	23.92
	- Rental Income	2.40	2.40
	To Coromandel International Limited		
	- Reimbursement of Expenses	14.30	35.36
	- Service Charges	6.50	6.50
b)	Directors		
	- Sitting Fees Paid	-	0.50
	- Reimbursement of Expenses	-	0.07

c. Outstanding Balances as at 31st March 2020:

	Particulars	2019-19 Rs in lakhs	2017-18 Rs in lakhs
a)	Coromandel International Ltd - Debit / (Credit)	(2.99)	(5.49)

2.14 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



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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

2.15 Earnings Per Share

	2019-20	2018-19
Profit after Tax as Per Profit & Loss Statement (Rs in lakhs)	36.36	17.56
Number of Shares	10000000	10000000
Earnings Per Share –Basic	0.36	0.18
Earnings Per Share –Diluted	0.36	0.18

2.16 Payments to Auditors

	Rs in lakhs	
	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Audit fees	1.00	1.00
Tax audit fees	0.20	0.20
Limited reviews	0.23	0.23
Certification relating to Company law& Income tax	0.05	0.11
Total	1.48	1.54

2.17 Current tax Liabilities

Reconciliation of tax expense to the accounting profit is as follows:	Rs in lakhs	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Accounting profit before tax	53.95	30.33
Tax expense at statutory tax rate 26% (PY 26. %)	14.03	7.88
<i>Adjustments:</i>		
Effect of income that is exempt from tax	3.56	4.89
Effect of expenses that are not deductible in determining taxable profit		
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	17.59	12.77

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PARRY CHEMICALS LIMITED

Notes forming part of the financial statements

2.18 Other Matters.

Based on the information available with the Company, there are no dues/ Interest outstanding to Micro, Small & Medium Enterprises as at March 31, 2020 (2019:- Nil)

SIGNATURES TO NOTE Nos. -: 1 to 16

In terms of our report attached

On Behalf of the Board of Directors

P.Senthamarai Kannan
Chartered Accountant
Membership No.018206

Jayashree Satagopan
Director

S. Sankarasubramanian
Chairman

PLACE: SECUNDERABAD
DATE: .25/05/2020

S. Rajkannan
Chief Financial Officer

Chiranjeevi Raju D
Company Secretary

UDIN: 20018206AAAAAD6520

