

B. K. Khare & Co. Chartered Accountants

706/708, Sharda Chambers, New Marine
Lines, Mumbai – 400 020, India

INDEPENDENT AUDITORS' REPORT

To the Members of Performance Chemiserve Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Performance Chemiserve Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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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.

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

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.



Impairment of Assets	
<p>The Company has significant Capital Work in Progress relating to the Ammonia Project.</p> <p>As the amount is significant, an assessment of carrying value of assets of Ammonia Project is required</p>	<p>Our audit approach and procedures included:</p> <ul style="list-style-type: none">• Evaluated the reasonableness of management's conclusions on key assumptions, including forecast cash flows focusing on revenues and earnings, assessing the appropriateness of discount rates, historical and budgetary Financial Information, current market conditions and growth rates.• Assessed the reliability of management's forecast, whilst considering the risk of management bias.• Assessed the competence, capabilities, objectivity of the independent professionals who provided the valuation report.• Evaluated the appropriateness of impairment model prepared by the independent professional.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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

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

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

Report on Other Legal and Regulatory Requirements

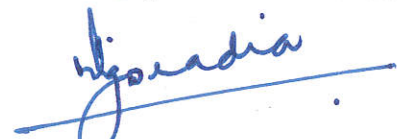
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



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- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
- (g) The Company has not paid/provided any managerial remuneration for the year ended March 31, 2021. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Also refer paragraph (xi) of Annexure B to the Independent Auditors' Report.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32(a) to the Financial Statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Himanshu Goradia
Partner
Membership No. 045668
UDIN: 21045668AAAAEO6361
Place: Mumbai
Date: May 27, 2021



Annexure A to the Independent Auditors' Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Performance Chemiserve Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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.

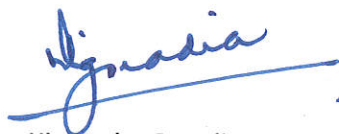
Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the criteria for internal financial control with reference to financial statements 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 **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



Himanshu Goradia

Partner

Membership No. 045668

UDIN: 21045668AAAAE06361

Place: Mumbai

Date: May 27, 2021



B. K. Khare & Co.

Chartered Accountants

Annexure B to the Independent Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the reporting under Clause 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, 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 Act. Accordingly, the reporting under Clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company has not commenced its manufacturing operations. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.



B. K. Khare & Co. Chartered Accountants

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the Statute	Amount Demanded Rs. lakhs	Paid under Protest Rs. lakhs	Unpaid Amount Rs. lakhs	Forum where dispute is pending	Period to which Amount relates
The Income-tax Act, 1961	78.06	15.61	62.45	Commissioner of Income Tax (Appeals)	Assessment Year 2018-2019

- (viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks. There are no dues payable to financial institutions, Government and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has applied the moneys raised by way of term loans for the purposes for which those are raised. According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year.
- (x) During the course of our 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 us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) The Company has not paid/provided any managerial remuneration for the year ended March 31, 2021. Accordingly, the reporting under Clause 3(xi) of the said Order is not applicable to the Company. Also refer paragraph 2(g) of Independent Auditors' Report.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.



B. K. Khare & Co. Chartered Accountants

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the reporting under Clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W



.. **Himanshu Goradia**
Partner

Membership No. 045668
UDIN: 21045668AAAAE06361
Place: Mumbai
Date: May 27, 2021



PERFORMANCE CHEMISERVE LIMITED

Balance Sheet as at 31 March 2021

(All Amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,181	12,927
Right-of-use assets	4	11,187	2,416
Capital work-in-progress	5	1,22,048	98,152
Intangible assets	6	34	41
Financial assets			
i. Other financial assets	13	1,420	-
Deferred tax assets (net)	7	-	36
Income tax assets (net)		90	84
Other non-current assets	8	18,147	19,198
Total non-current assets		1,61,107	1,32,854
Current assets			
Financial assets			
i. Investments	9	487	1,011
ii. Trade receivables	10	229	357
iii. Cash and cash equivalents	11	3,838	1,825
iv. Bank balances other than (iii) above	12	-	171
v. Other financial assets	13	740	5
Other current assets	14	-	-
Total current assets		5,294	3,369
Total assets		1,66,401	1,36,223
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	10	7
Other equity	16	69,969	44,965
Total equity		69,979	44,972
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	17	86,909	85,081
Deferred tax liabilities (net)	20	57	-
Total non-current liabilities		86,966	85,081
Current liabilities			
Financial liabilities			
i. Trade payables	18	-	-
a) total outstanding dues of micro and small enterprises		-	-
b) total outstanding dues of creditors other than micro and small enterprises		40	12
ii. Other financial liabilities	19	9,353	6,057
Current tax liabilities			
Other current liabilities	21	63	101
Total current liabilities		9,456	6,170
Total liabilities		96,422	91,251
Total equity and liabilities		1,66,401	1,36,223
Significant Accounting Policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 35		

As per our report of even date attached

For and on behalf of the Board of Directors of
Performance Chemiserve Limited

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

S. C. Mehta
Chairman
DIN:00128204

Upendra Patro
Chief Financial Officer

Himanshu Goradia
Partner
Membership No. 045668



Ashok Shah
Director
DIN:00196506

Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Mumbai
Date: 27 May 2021

Place: Pune
Date: 27 May 2021

PERFORMANCE CHEMISERVE LIMITED**Statement of Profit and Loss for the year ended 31 March 2021**

(All Amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2021	31 March 2020
Revenue from operations	22	313	239
Other income	23	227	626
Total income		540	865
Expenses			
Employee benefits expense	24	14	10
Finance costs	25	-	-
Depreciation and amortisation expense	26	50	48
Other expenses	27	64	453
Total expenses		128	511
Profit before tax		412	354
Income tax expense			
- Current tax		18	54
- Deferred tax		93	(70)
Total tax expense		111	(16)
Profit for the year		301	370
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		301	370
Earning per Equity Share: Face value Rs. 10 each			
i) Basic (in Rs)		352.96	495.44
ii) Diluted (in Rs)		352.96	495.44
Weighted average number of Equity Shares: Face value Rs. 10 each			
i) Basic (in Nos.)		85,191	74,681
ii) Diluted (in Nos.)		85,191	74,681
Significant Accounting Policies	1 - 2		
The accompanying notes form an integral part of the financial statements	3 - 35		

As per our report of even date attached

For and on behalf of the Board of Directors of
Performance Chemiserve LimitedFor B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102WS. C. Mehta
Chairman
DIN:00128204Upendra Patro
Chief Financial OfficerHimanshu Goradia
Partner
Membership No. 045668Ashok Shah
Director
DIN:00196506Pankaj Gupta
Company Secretary
Membership No: F-9219Place: Mumbai
Date: 27 May 2021Place: Pune
Date: 27 May 2021

PERFORMANCE CHEMISERVE LIMITED**Statement of Cash Flows for the year ended 31 March 2021**

(All Amounts in ₹ Lakhs unless otherwise stated)

	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax	412	354
Adjustments for		
Depreciation and amortisation expense	50	48
Gain on sale of investments	(111)	(490)
Changes in fair value of financial assets at fair value through profit or loss	89	155
Interest income	(125)	(291)
Unrealised foreign exchange differences	(21)	127
Cash generated from operations before working capital changes		
Change in trade receivables	128	(238)
Change in trade payables	28	(11)
Change in other financial liabilities	(22)	4
Change in other financial assets	15	(5)
Change in other non-current assets	1,051	(4,516)
Change in other current assets	-	4
Change in other current liabilities	(38)	31
Cash generated from/(used in) operations	1,456	(4,828)
Less: Income taxes paid	22	166
Net cash from/(used in) operating activities	1,434	(4,994)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(4,068)	(5,620)
Payments for capital work-in-progress	(6,503)	(14,658)
Purchase of investments	(555)	(2,407)
Proceeds from sale of investments	1,101	25,985
Fixed deposits placed	-	(171)
Fixed deposits matured	171	243
Interest received	125	291
Net cash (used in)/from investing activities	(9,729)	3,663
Cash flow from financing activities		
Proceeds from issues of shares	22,499	-
Proceeds from borrowings - non current	1,828	10,348
Bank charges and interest paid	(14,017)	(7,420)
Net cash from financing activities	10,309	2,928
Net increase in cash and cash equivalents	2,014	1,597
Cash and cash equivalents at the beginning of the year	1,825	228
Cash and cash equivalents at the end of the year (Refer Note 11)	3,838	1,825

The accompanying notes form an integral part of the financial statements.

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows"

As per our report of even date attached

For and on behalf of the Board of Directors of
Performance Chemiserve LimitedFor B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102WS. C. Mehta
Chairman
DIN:00128204Upendra Patro
Chief Financial OfficerHimanshu Goradia
Partner
Membership No. 045668Ashok Shah
Director
DIN:00196506Pankaj Gupta
Company Secretary
Membership No: F-9219Place: Mumbai
Date: 27 May 2021Place: Pune
Date: 27 May 2021

PERFORMANCE CHEMISERVE LIMITED**Statement of Changes in Equity for the year ended 31 March 2021**

(All Amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2021	31 March 2020
Balance at the beginning of the year	7	7
Changes in equity share capital during year	3	-
Balance at the end of the year	10	7

B. Other Equity

	Reserves and surplus				Total
	Securities premium	Retained earnings	General reserve	Fair value of financial guarantee	
Balance as at 1 April 2019	41,874	2,574	147	-	44,595
Profit for the year	-	370	-	-	370
Total comprehensive income for the year	-	370	-	-	370
Balance as at 31 March 2020	41,874	2,944	147	-	44,965
Profit for the year	-	301	-	-	301
Total comprehensive income for the year	-	301	-	-	301
Securities premium on share issue	22,496	-	-	-	22,496
Fair value of financial guarantee	-	-	-	2,207	2,207
Balance as at 31 March 2021	64,370	3,245	147	2,207	69,969

Note: Refer Note 16 for nature and purpose of other equity.

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of
Performance Chemiserve LimitedFor B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102WS. C. Mehta
Chairman
DIN:00128204Upendra Patro
Chief Financial OfficerHimanshu Goradia
Partner
Membership No. 045668Ashok Shah
Director
DIN:00196506Pankaj Gupta
Company Secretary
Membership No: F-9219Place: Mumbai
Date: 27 May 2021Place: Pune
Date: 27 May 2021

PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

Notes to the financial Statements for the year ended 31 March 2021

1. CORPORATE INFORMATION

Performance Chemiserve Limited ("the Company") is engaged in the business of drumming of chemical, IPA and is having its registered office at Sai Hira, Survey No.93, Mundhwa, Pune 411036 and carries its drumming operations at its plant located at K – 6 Block, Taloja MIDC, Navi Mumbai – 410208. The Company is in the process of setting up ammonia plant at Taloja with Capacity of 1500 TPD.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation: -

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the companies (Indian Accounting Standards) Rule, 2015 notified under section 133 of the Companies Act, 2013("the Act"), as amended thereafter and other relevant provision of the act.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instrument)

The financial statements are presented in Indian Rupees ("INR"), which is also company's functional currency and all values are rounded off to the nearest lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' it construe value less than Rs. 50,000.

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the



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amounts initially recorded, such differences will impact the current and deferred tax provision in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Useful lives of property, plant and equipment ('PPE')

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period. Factors such as changes in the expected level of usage, number of shifts of production, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of PPE, consequently leading to a change in the future depreciation charge.

Litigations

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the charge/ expense can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcomes and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions are made for the changes in facts and circumstances.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

Impairment of financial assets

The Company assesses impairment based on the expected credit loss ("ECL") model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An assets recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an



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Notes to the financial Statements for the year ended 31 March 2021

appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

2.3 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

(b) Revenue recognition

Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers.

Sale of goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.



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Sale of services:

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

Interest and dividend income:

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 and dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(c) Property, plant and equipment

Items of property, plant and equipment including capital work-in-progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bring the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized in the statement of profit or loss, as incurred. In respect of additions to/ deletions from fixed assets, depreciation is provided on a pro-rata basis with reference to the month of addition/ deletion of the assets. Freehold land is carried at historical cost.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013. As per requirements of the Companies Act, 2013 the Company has also identified significant components of assets and their useful life and depreciation charge is based on an internal technical evaluation. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule II of the Companies Act, 2013. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Plant and equipment	10

(d) Intangible assets

Intangible assets are initially recognized at cost. Following initial recognition, intangible assets with finite useful life are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the



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related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Name of assets	Estimated useful life (in years)
Computers software	3 – 7

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

(f) Foreign currency transactions and balances

Transactions in foreign currency are recorded applying the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing rates prevailing on the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising as a result of the above are recognized as income or expenses in the statement of profit and loss. Exchange differences arising on the settlement of monetary items, at rates different from those at which they were initially recorded, during the year or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. Foreign exchange difference on foreign currency borrowings, loans given, settlement gain/ loss and fair value gain/ loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference do not include foreign exchange difference regarded as an adjustment to the borrowing cost and capitalized with cost of fixed assets.

(g) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:



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- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and b) The asset's contractual cash flows represent SPPI. Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVPL

FVPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments-instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included



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within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when;

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn



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down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company's lease asset classes primarily consist of lease or land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.



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Notes to the financial Statements for the year ended 31 March 2021

The right-of-use assets are initially recognised 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, if any. 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.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest on lease liability.

Lease contracts entered by the Company majorly pertain for land.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

(j) Employee benefit obligations

Provision for un-availed leave benefits payable to employee as per the scheme of the company is made on actual basis. All assumptions are reviewed at each reporting period.

(k) Derivative financial instruments

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship which is designated.



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Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in 'other comprehensive income' in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts accumulated in equity are reclassified to the statement of profit and loss in the periods in which the hedged item affects the profit or loss (for example, when the interest expenditure is recorded).

Derivatives that are not designated as hedges: The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges for accounting purpose. Such derivative contracts are accounted for at each reporting date at fair value through the statement of profit and loss.

(I) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(m) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonable certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively



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enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Recent Accounting Developments and note on COVID-19

Covid-19 impact analysis

In view of the lockdown across the country due to the outbreak of COVID pandemic, operations are scaled down in compliance with the directives/ orders issued by the local Panchayat/Municipal Corporation/State/Central Government authorities.

As per management's current assessment, no significant impact on carrying amounts of capital work in progress, intangible assets, trade receivables, investments and other financial assets is expected, and management will continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these Financial Statements.



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(All Amounts in ₹ Lakhs unless otherwise stated)

Note 3: Property, Plant and Equipment

	Freehold Land	Leasehold Land	Plant and Equipment	Computers	Total
Gross carrying amount as at 01 April 2019	7,343	2,513	68	-	9,924
Reclassified on account of adoption of Ind AS 116 (Refer Note 4)	-	(2,513)	-	-	(2,513)
Additions	5,574	-	-	1	5,575
Gross carrying amount as at 31 March 2020	12,917	-	68	1	12,986
Accumulated depreciation					
Opening accumulated depreciation	-	59	53	-	112
Reclassified on account of adoption of Ind AS 116 (Refer Note 4)	-	(59)	-	-	(59)
Depreciation charge during the year	-	-	6	-	6
Accumulated depreciation as at 31 March 2020	-	-	59	-	59
Net carrying amount as at 31 March 2020	12,917	-	9	1	12,927
Gross carrying amount as at 01 April 2020	12,917	-	68	1	12,986
Transferred to Right to Use of an Asset (on account of lease arrangement)- Refer Note 4	(8,808)	-	-	-	(8,808)
Additions	4,068	-	-	-	4,068
Gross carrying amount as at 31 March 2021	8,177	-	68	1	8,246
Accumulated depreciation					
Opening accumulated depreciation	-	-	59	-	59
Depreciation charge during the year	-	-	6	-	6
Accumulated depreciation as at 31 March 2021	-	-	65	-	65
Net carrying amount as at 31 March 2021	8,177	-	3	1	8,181

Note 4: Right of Use Assets

Particulars	Leasehold land	Total
Balance as at 01 April 2019	-	-
Reclassified on account of adoption of Ind AS 116 (Refer Note 3)	2,454	2,454
Additions	-	-
Deletions	-	-
Depreciation	(38)	(38)
Balance as at 31 March 2020	2,416	2,416
Balance as at 01 April 2020	2,416	2,416
Additions	8,808	8,808
Deletions	-	-
Depreciation	(37)	(37)
Balance as at 31 March 2021	11,187	11,187

Amortization expense on right of use assets is included under depreciation and amortization expense in the statement of Profit and Loss.



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 5: Capital work in progress

	31 March 2021	31 March 2020
Projects*	1,22,048	98,152
Others	-	-
Net carrying amount	1,22,048	98,152

*Includes borrowing cost of Rs. 30,138 Lakhs (31 March 2020 Rs. 20,305 Lakhs)

Note 6: Intangible Assets

	Computer Software	Total
Cost as on 01 April 2019	-	-
Additions	45	45
Gross carrying amount as at 31 March 2020	45	45
Cost as on 01 April 2020	45	
Additions	-	-
Gross carrying amount as at 31 March 2021	45	45
Accumulated depreciation as at 31 March 2019		-
Amortisation charge for the year	4	4
Accumulated depreciation as at 31 March 2020	4	4
Amortisation charge for the year	6	6
Accumulated depreciation as at 31 March 2021	11	11
Net carrying amount as at 31 March 2021	34	34
Net carrying amount as at 31 March 2020	41	41



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 7: Deferred Tax Assets (Net)**Movement during the year ended 31 March 2021:**

	1 April 2020	Credit/(Charge) in the statement of Profit and Loss	Credit/(Charge) in the statement of Other Comprehensive Income	31 March 2021
Property, plant and equipment	(3)	-	-	(3)
Financial assets at fair value through profit or loss	39	(93)	-	(54)
Net deferred tax assets/(liabilities)	36	(93)	-	(57)



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 8: Other Non-Current Assets

	31 March 2021	31 March 2020
Capital advances	2,989	5,171
Balances with government authorities	15,158	14,027
Total	18,147	19,198

Note 9: Current Investments

	31 March 2021	31 March 2020
Investment in mutual funds (carried at fair value through profit and loss)	487	1,011
Total	487	1,011

Note 10: Trade Receivables

	31 March 2021	31 March 2020
Considered good - Secured	-	-
Considered good - Unsecured	229	357
Receivables which have significant increase in credit risk	-	-
Less: Credit Impaired	-	-
Total	229	357



PERFORMANCE CHEMISERVE LIMITED
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 11: Cash and Cash Equivalents

	31 March 2021	31 March 2020
Balances with banks		
- in current accounts	141	1,494
- in deposits with original maturity up to three months	3,697	331
Total	3,838	1,825

Note 12: Other Bank Balances

	31 March 2021	31 March 2020
Deposits with maturity more than three months and up to twelve months	-	171
Total	-	171

Note 13: Other Financial Assets

	31 March 2021		31 March 2020	
	Current	Non Current	Current	Non Current
(i) Derivatives				
Foreign currency forward contracts	-	-	-	-
(ii) Others				
Interest receivable	11	-	5	-
Financial Guarantee Asset	729	1,420	-	-
Total	740	1,420	5	-

Note 14: Other Current Assets

	31 March 2021	31 March 2020
Advances to suppliers	-	-
Total	-	-



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 15: Share Capital

	31 March 2021	31 March 2020
Authorised		
1,00,000 equity shares of Rs. 10 each. (31 March 2020 : 1,00,000 equity shares of Rs 10 each)	10	10
	10	10
Issued, subscribed and fully paid share capital		
74,681 equity shares of Rs. 10 each. (31 March 2020 : 74,681 equity shares of Rs 10 each)	7	7
Increase during the year - Issued (FY- 2020-21, 22,005 Equity Shares of Rs.10 each)	3	-
Fully Paid Share Capital	10	7

(i) Reconciliation of the number of Equity Shares

Equity Shares	31 March 2021		31 March 2020	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	74,681	7	44,716	4
Add: Issued during the year	22,005	3	29,965	3
Balance as at the end of the year	96,686	10	74,681	7

Terms and rights attached to equity shares

The Company has only one class of issue Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per Share.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

(ii) Details of shareholders holding more than 5% shares in the company

	31 March 2021		31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Smartchem Technologies Limited	85,961	88.91%	63,956	85.64%
Robust Marketing Services Private Limited	10,725	11.09%	10,725	14.36%



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 16: Other Equity

	31 March 2021	31 March 2020
Securities premium	64,370	41,874
General reserve	147	147
Guarantee financial liability	2,207	-
Retained earnings	3,245	2,944
Total other equity	69,969	44,965

(i) Securities Premium

	31 March 2021	31 March 2020
Opening balance	41,874	41,874
Add: Received during the year	22,496	-
Closing balance	64,370	41,874

(ii) General Reserve

	31 March 2021	31 March 2020
Opening balance	147	147
Add: Transfer during the year from retained earning	-	-
Closing balance	147	147

(iii) Retained earnings

	31 March 2021	31 March 2020
Opening balance	2,944	2,574
Add: Net profit for the year	301	370
Closing balance	3,245	2,944

(iv) Fair value of financial guarantee

	31 March 2021	31 March 2020
Opening balance	-	-
Movement during the year	2,207	-
Closing balance	2,207	-

Nature and purpose of other equity

(a) **Securities premium:** The amount received in excess of face value of the equity shares is recognized in securities premium.

(b) **General reserve:** This represents appropriation of profits by the company and is available for distribution of dividend.

(c) **Retained earnings:** Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(d) **Fair value of financial guarantee:** The Holding Company has provided the guarantee for the funds raised by the Company for which guarantee commission is neither planned nor likely to be settled in near future and accordingly fair value of the guarantee commission is recorded as a component of equity.



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(All Amounts in ₹ Lakhs unless otherwise stated)

Note 17: Non-Current Borrowings

	Maturity date	Terms of repayment	Interest rate	31 March 2021	31 March 2020
Term loans					
Bank of Baroda	31 December 2036	Repayable in quarterly instalment starting from March 2023	10.72% per annum	68,694	66,735
Exim Bank	31 December 2036	Repayable in quarterly instalment starting from March 2023	9.53% per annum	18,215	18,346
Total				86,909	85,081

The term loan from Bank of Baroda and Exim Bank has been availed for financing of Ammonia Project at Taloja. The term loan is secured by first charge by way of hypothecation in favour of all lenders movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future.

Note 18: Trade Payables

	31 March 2021	31 March 2020
Trade Payables		
(a) Due to micro and small enterprises	-	-
(b) Due to others	40	12
Total	40	12

Dues to Micro and Small Enterprises

	31 March 2021	31 March 2020
Principal amount due at year end	-	-
Interest provided but not paid at year end on above	-	-
Interest due on principal amount already paid	-	-
Delayed Principal amount paid during the year	-	-
Interest paid on delayed principal payment	-	-

Note 19: Other Financial Liabilities

	31 March 2021	31 March 2020
Interest accrued	27	1,121
Security deposits	3	3
Capital creditors	9,322	4,910
Foreign-exchange forward contracts	1	22
Others	-	1
Total	9,353	6,057



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 20: Deferred Tax Liabilities (Net)**Movement during the year ended 31 March 2021:**

	1 April 2020	Credit/(Charge) in the Statement of Profit and Loss	Credit/(Charge) in the Statement of Other Comprehensive Income	31 March 2021
Property, plant and equipment	(3)	-	-	(3)
Financial assets at fair value through profit or loss	39	(93)	-	(54)
Net deferred tax liabilities	36	(93)	-	(57)

Note 21: Other Current Liabilities

	31 March 2021	31 March 2020
Statutory dues payable	63	101
Total	63	101



PERFORMANCE CHEMISERVE LIMITED
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 22: Revenue From Operations

	31 March 2021	31 March 2020
Income from operations		
-Drumming services	313	239
Total	313	239

Note 23: Other Income

	31 March 2021	31 March 2020
Interest income	125	291
Net gain on sale of investments	22	335
Foreign exchange fluctuations (net)	80	-
Total	227	626



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 24: Employee Benefits Expense

	31 March 2021	31 March 2020
Salaries, wages and bonus	14	10
Total	14	10

Note 25: Finance Costs

	31 March 2021	31 March 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss	9,833	8,520
Less: Amount capitalised	9,833	8,520
Finance costs expensed in statement of profit and loss	-	-

Note 26: Depreciation and Amortisation Expense

	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	44	44
Amortisation of other intangible assets	6	4
Total	50	48

Note 27: Other Expenses

	31 March 2021	31 March 2020
Power, fuel and water	2	2
Material handling charges	6	5
Repairs to :		
- Plant and machinery	-	-
- Others	-	1
Rates, taxes and duties	4	-
Directors' fees	17	12
Foreign exchange fluctuations (Net)	-	415
Legal and professional fees	25	16
Corporate social responsibility expenditure [Refer Note 27(a) below]	5	-
Payments to auditors [Refer Note 27(b) below]	5	2
Total	64	453



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

ii. Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2021	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	86,909	-	24,170	62,739	86,909
Trade payables	40	40	-	-	40
Interest accrued	27	27	-	-	27
Security deposits	3	3	-	-	3
Other financial liabilities	3,144	3,143	-	-	3,143
Total non-derivative liabilities	90,123	3,213	24,170	62,739	90,122
Derivatives financial liabilities					
Foreign exchange forward contracts	1	1	-	-	1
Other financial liabilities	6,178	6,178	-	-	6,178
Total derivative liabilities	6,179	6,179	-	-	6,179

31 March 2020	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	85,081	-	36,792	48,289	85,081
Trade payables	12	12	-	-	12
Other financial liabilities	3,160	3,160	-	-	3,160
Total non-derivative liabilities	88,253	3,172	36,792	48,289	88,253
Derivatives financial liabilities					
Foreign exchange contract used for hedging	22	22	-	-	22
Other financial liabilities	2,875	2,875	-	-	2,875
Total derivative liabilities	2,897	2,897	-	-	2,897

iii. Market risk

Market risk is risk of changes in the market such as foreign exchange rates, interest rates that will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are USD, AED and EUR.

The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, by entering into forward contracts.

Exposure to currency risk

(i) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note 33.

(ii) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

Foreign currency balances outstanding

	USD in lakhs 31-03-2021	USD in lakhs 31-03-2021
Liabilities		
Creditors	49	38
Net Payable as on 31 March 2021	49	-
Net Payable as on 31 March 2020	-	38

	Impact on profit after tax 31 March 2021	Impact on profit after tax 31 March 2020
USD sensitivity		
R/USD -appreciated by 1%	27	22
R/USD -depreciated by 1%	(27)	(22)



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Note 29: Financial Risk Management Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers, loans and investments.

The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. The expected credit loss as at 31 March 2021 is - Nil.(31 March 2020: Nil).

Expected credit loss on financial assets other than trade receivables:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and hence the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.



PERFORMANCE CHEMISERVE LIMITED

(All Amounts in ₹ Lakhs unless otherwise stated)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows:

The following table provides a break-up of the company's fixed and floating rate borrowings:

	31 March 2021	31 March 2020
Variable rate	86,909	85,081
Fixed rate borrowings	-	-
Total borrowings	86,909	85,081

Sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's capital work in progress for the year ended 31 March 2021 would decrease / increase by Rs. 435 lakhs (for the year ended 31 March 2020: decrease / increase by Rs. 425 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Note 30. Capital Management

(a) Risk Management

The company's objectives when managing capital are to: safeguard its ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).

The gearing ratios were as follows:

	31 March 2021	31 March 2020
Net debt (net of cash and cash equivalents)	83,071	83,085
Total equity	69,979	44,972
Net debt to equity ratio	1.19	1.85



PERFORMANCE CHEMISERVE LIMITED

Note : 31(a) Names of the Related Parties and Relationships

A. Holding Company

Smartchem Technologies Limited

B. Ultimate Holding Company

Deepak Fertilisers and Petrochemicals Corporation Limited

C. Fellow subsidiaries

Platinum Blasting Services Pty Limited

Mahadhan Farm Technologies Private Limited

E. Key Management Personnel

1 Non-executive directors

Mr. Sailesh C. Mehta
Mrs. Parul Sailesh Mehta
Mr. Ashok P. Shah
Mr. Raghunath Kelkar

2 Non-executive independent directors

Mr. S. R. Wadhwa
Mr. U. P. Jhaveri
Mr. R. Sriraman
Mr. Partha Bhattachararyya

3 Chief Financial Officer

Mr. Upendra Patro**

4 Company Secretary

Mr. Pankaj Gupta ***

D. Entities over which Key Managerial Personnel are able to exercise significant influence:

- 1 Blue Shell Investments Private Limited
- 2 Nova Synthetic Limited
- 3 The Lakaki Works Private Limited
- 4 Superpose Credits and Capital Private Limited
- 5 Storewell Credits and Capital Private Limited
- 6 High Tide Investments Private Limited
- 7 Deepak Asset Reconstruction Private Limited
- 8 Mahadhan Investment and Finance Private Limited
- 9 Ishanya Foundation
- 10 Deepak Foundation
- 11 Robust Marketing Services Private Limited

** Mr. Upendra Patro is also Executive Vice President of Ultimate Holding Company.

*** Mr. Pankaj Gupta is also Company Secretary of Holding Company.



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Note 31(b) Related Party Transactions

Sr. No.	Nature of Transactions	31 March 2021			31 March 2020		
		Ultimate Holding Entity	Key Management Personnel	Total	Ultimate Holding Entity	Key Management Personnel	Total
1	Rendering of services Deepak Fertilisers and Petrochemicals Corporation Limited	313	-	313	239	-	239
2	Receiving of services/reimbursement of expenses Deepak Fertilisers and Petrochemicals Corporation Limited	(356)	-	(356)	(340)	-	(340)
3	Sitting fees paid to non executive directors	-	(17)	(17)	-	(12)	(12)
4	Amount outstanding Trade receivables/ (Trade Payables) Deepak Fertilisers and Petrochemicals Corporation Limited	(399)	-	(399)	143	-	143

Note: Figures in bracket are outflows

Note 32(a): Contingent Liabilities

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Letter of credit issued in favour of suppliers	4,122	8,925
2	Income tax matter	78	-

Note 32(b): Capital Commitments

Sr. No.	Particulars	31 March 2021	31 March 2020
1	Commitments Related to projects (net of advances)	1,19,903	31,824



Note 27(a): Corporate Social Responsibility Expenditure

	31 March 2021	31 March 2020
Ishanya Foundation	5	-
Total	5	-
Amount required to be spent as per Section 135 of the Act	5	8
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	5	-

Note 27(b): Details of Payments to Auditors

	31 March 2021	31 March 2020
Payment to auditors		
As auditor:		
Audit fee	5	2
Tax audit fee	-	-
Total	5	2



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(All Amounts in ₹ Lakhs unless otherwise stated)

Note 28: Fair Value Measurements
Financial Instruments by Category

	31 March 2021			31 March 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	487	-	-	1,011	-	-
Trade receivables	-	-	229	-	-	357
Cash and cash equivalents	-	-	3,838	-	-	1,825
Other bank balances	-	-	-	-	-	171
Interest receivable	-	-	-	-	-	-
Foreign exchange forward contracts/options	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
Other financial assets	-	-	2,160	-	-	5
Total financial assets	487	-	6,227	1,011	-	2,358
Financial liabilities						
Borrowings						
Trade payables	-	-	86,909	-	-	85,081
Other financial liabilities	-	-	40	-	-	12
-Capital creditors	-	-	-	-	-	-
-Interest accrued	-	-	9,322	-	-	4,910
-Security deposit	-	-	27	-	-	1,121
-Foreign exchange forward contracts/options	-	-	3	-	-	3
-Others	1	-	-	22	-	-
Total financial liabilities	1	-	96,301	22	-	91,128

(i) Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required:

	31 March 2021			31 March 2020				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities measured at fair value								
Financial Investments at FVPL								
Mutual funds - Growth plan	487	-	-	487	1,011	-	-	1,011
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
Foreign exchange forward contracts/options	-	-	-	-	-	-	-	-
Total financial assets	487	-	-	487	1,011	-	-	1,011
Financial liabilities								
Foreign exchange forward contracts/options	-	1	-	1	-	-	-	22
Total financial liabilities	-	1	-	1	-	22	-	22

(ii) Valuation process to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments:

- The carrying amounts of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The fair value of derivative financial instruments is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, interest rate curves and use of appropriate valuation models.



PERFORMANCE CHEMISERVE LIMITED
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 33: Foreign Currency Balances Outstanding

	31 March 2021		31 March 2020	
	Amount in FC Lakhs	Equivalent amount in INR Lakhs	Amount in FC Lakhs	Equivalent amount in INR Lakhs
Hedged Position				
Creditors in (USD)	49	3,583	38	2,875
Total	49	3,583	38	2,875

Particulars	31 March 2021		31 March 2020	
	Amount in FC Lakhs	Equivalent amount in INR Lakhs	Amount in FC Lakhs	Equivalent amount in INR Lakhs
Forward contracts -USD	-	-	130	9,840
Option Contracts -USD	51	3,729	-	-
Forward contracts -JPY	549	363	-	-
Total	600	4,092	130	9,840

The Company has chosen not to designate the foreign exchange forward contracts and options contracts as hedges under IND AS 109.

Note 34: Income Taxes

A. Components of Income Tax Expenses	31 March 2021	31 March 2020
I. Income tax expense recognised in the statement of profit and loss		
Current year	18	54
Total (A)	18	54
Deferred tax charge/(credit)	93	(70)
Total (B)	93	(70)
Total (A+B)	111	(16)
II. Tax on other comprehensive income	-	-
Total	-	-

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2021 and 31 March 2020

Particulars	31 March 2021	31 March 2020
Accounting profit before tax	412	354
At India's statutory income tax rate of 25.17% (31 March 2020: 25.17%) (A)	104	89
Effects of income not subject to tax	-	-
Dividend income	-	-
Effects of non-deductible business expenses	4	9
Reversal of earlier year tax provision	-	(103)
Others	3	(12)
Total (B)	7	(105)
Income Tax expense reported in the statement of profit or loss (A+B)	111	(16)

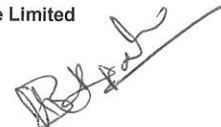
Note 35: The Company is in the business of drumming chemical, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

As per our report of even date attached

For and on behalf of the Board of Directors of
Performance Chemiserve Limited



S. C. Mehta
Chairman
DIN:00128204



Upendra Patro
Chief Financial Officer

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W



Himanshu Goradia
Partner
Membership No.: 045668





Ashok Shah
Director
DIN:00196506



Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Mumbai
Date: 27 May 2021

Place: Pune
Date: 27 May 2021