PERFORMANCE CHEMISERVE LIMITED

ANNUAL REPORT 2018-19

NOTICE

NOTICE is hereby given that Thirteenth Annual General Meeting of the Members of **Performance Chemiserve Limited** will be held on Monday, 12th August, 2019 at 11:00 a. m. at Registered Office of the Company at Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the period ended 31st March, 2019, and the Board's Report and Report of the Auditors thereon.

2. To appoint a Director in place of Shri S. C. Mehta (DIN - 00128204), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Shri R. Sriraman as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies Appointment and Qualification of Directors), 2014 {including any statutory modification(s) or re-enactment thereof} consent of the Members of the Company be and is hereby accorded for appointment of Shri. R. Sriraman (DIN: 0228061), who was appointed as an Additional Director by the Board of Directors at its meeting held on 27th March 2019, as an Independent Director of the Company not liable to retire by rotation to hold office for 3 consecutive years commencing from 27th March, 2019 and ending on 26th March, 2022.

RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby authorised severally to do and perform all such other acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

For and on behalf of the Board of Directors,

Pankaj Gupta
Company Secretary
M. No.: FCS-9219

Date: 29th May, 2019
Place: Pune

Registered Office:
Sai Hira, Survey No. 93,
Mundhwa, Pune 411036

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. An Explanatory Statement as required by Section 102 of the Companies Act, 2013 in respect of Special Business as set out above is annexed hereto.

3. Members are requested to intimate the Company change in their address, if any, with Pin Code number, quoting Registered Folio Number.

4. All Proxy-holder should carry their identity card at the time of attending the Meeting.

5. Proxies registers will be open for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting. Inspection shall be allowed between 11 A.M. and 1 P.M.

6. The Members/Proxies should fill the Attendance Slip for attending the Meeting.

7. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11.00 A.M. and 1.00 P.M., upto the date of the AGM.

8. Record date to determine entitlement of members to attend and vote at the Annual General Meeting is 9th August, 2019.

9. Corporate Members intending to send their Authorised Representatives to attend the Annual General Meeting are requested to send a certified copy of the appropriate resolution, as applicable authorising their representative to attend and vote on their behalf at the Annual General Meeting.

Annexure to the Notice

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

Item No. 3:

The Board of Directors at its meeting held on 27th March, 2019 has recommended to appoint Shri R. Sriraman, for a first term of 3 consecutive years commencing from 27th March, 2019 and ending on 26th March, 2022. Pursuant to the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation, subject to the approval of the shareholders.

The Board is of the opinion that Shri R. Sriraman possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to have his association with the Company as director.

Further, in the opinion of the Board, the proposed appointment of Independent Director, fulfills the conditions specified in the Act and rules made thereunder and the proposed appointment is independent of the management.

Copy of the draft letter of appointment of Shri R. Sriraman, Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days of the Company upto and including the day of the meeting.

PERFORMANCE CHEMISERVE LTD.
CIN: U24239PN2006PTC022101

None of the Directors or the Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above mentioned resolution, except Shri R. Sriraman and his relatives.

The Board recommends the resolution for approval.

For and on behalf of the Board of Directors,

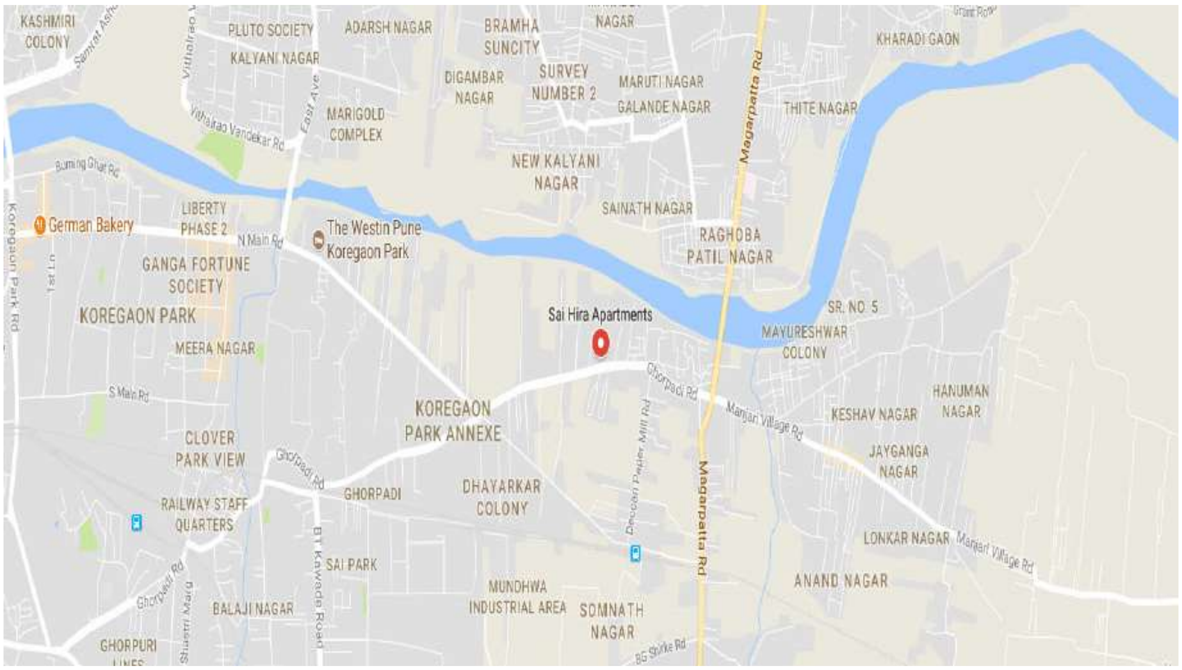
Pankaj Gupta
Company Secretary
M. No.: FCS-9219

Date: 29th May, 2019
Place: Pune

Registered Office:
Sai Hira, Survey No. 93,
Mundhwa, Pune 411036

AGM VENUE

Sai Hira, Survey No. 93, Mundhwa, Pune- 411036, Maharashtra, India



BOARD'S REPORT

TO THE MEMBERS,

Your Board of Directors have pleasure in presenting the Thirteenth Annual Report together with Audited Accounts of the Company for Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

The summarised financial results for the year are as under:

(Rs. in Lakhs)

	2018-19	**2017-18**
Total Income	1872	769
Profit Before Tax	1728	714
Less-:		
Provision for Income Tax	498	125
Provision for Deferred Tax Liabilities (Assets)	(2)	38
Net Profit After Tax	1232	551
Add: Balance brought forward from previous year	1342	846
Amount Available for Appreciation	2574	1397
Less: Transferred to General Reserve	-	55
Profit carried to Balance Sheet	2574	1342

STATE OF THE COMPANY'S AFFAIRS

(A) DRUMMING BUSINESS

The Company continued drum filling activities during the year under review. The Company has done drumming of 10,048 MT chemicals during financial year 2018-19 as compared to 15,117 done during financial year 2017-18, due to lower volumes for drumming from Deepak Fertilisers and Petrochemicals Corporation Limited (Ultimate Holding Company) during financial year 2018-19.

During the year under review your Company has registered Income from Operations of Rs. 229 Lakhs in comparison to Rs. 285 Lakhs in the previous financial year 2017-18. Total Income during the financial year 2018-19 increased to Rs. 1872 Lakhs from Rs. 769 Lakhs in the previous financial year 2017-18. Other income during the financial year 2018-19 increased to Rs. 1643 Lakhs from Rs. 484 Lakhs in the previous financial year 2017-18 mainly on account of return on investment of surplus equity fund. Profit after tax during the financial year 2018-19 increased to Rs. 1,232 Lakhs from Rs. 551 Lakhs in the previous financial year 2017-18.

(B) AMMONIA PROJECT

Your Company is setting-up Ammonia Project of 1500 MTPD capacity. Your Company requires 45 Acre Land for the Project. Your Company has acquired approx. 36 Acre Land and close to complete the remaining land acquisition.

During the year under review your Company allotted total 29,965 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 1,00,104/- per Equity Share on 14th September, 2018 on rights basis to Smartchem Technologies Limited (STL) (Holding Company of the Company and Wholly owned subsidiary of Deepak Fertilisers and Petrochemicals Corporation Limited) The issue price at the relevant dates have been duly supported by the valuation report of SBI Capital Market Limited (SBICAPS).

The details of Equity Shares allotted on rights basis are as under:

S. No.	Date of Allotment	Name of Allottee	Number of Share Allotted	Total Amount in Rs. (including premium)
1	14th September, 2018	Smartchem Technologies Limited	29,965	2,99,99,16,010/-

During the year under review, the Board at its meeting held on 9th August, 2018 had approved availing long Term Loan of Rs. 2044 Crore from Banks/Financial Institutions for the proposed

Ammonia Project. Bank of Baroda has sanctioned the Loan of Rs. 2044 Crores for the Ammonia Project and also started disbursing the amount as per the schedule of the Project.

DIVIDEND

With a view to conserve resources for growth, your directors do not recommend any dividend for the year under review.

BOARD OF DIRECTORS

Composition and Category of Directors as on 31st March, 2019 is as under:

Sr. No.	Name of Director	Category
1.	Shri Sailesh C. Mehta	Non - Executive Chairman
2.	Shri U. P. Jhaveri	Non - Executive Independent Director
3.	Shri Sewak Ram Wadhwa	Non - Executive Independent Director
4.	Smt. Parul S. Mehta*	Non - Executive Director
5.	Shri A. P. Shah	Non - Executive Director
6.	Shri R. M. Kelkar	Non - Executive Director
7.	Shri R. Sriraman**	Additional Director, Non - Executive Independent Director

* Appointed as an Additional Directors in the Board Meeting held on 8th August, 2018 and appointment as Director approved in the Annual General Meeting held on 13th August, 2018.

** Appointed as an Additional Independent Director w.e.f. 27th March 2019, in the Board Meeting held on 27th March, 2019.

Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act).

Eight Board Meetings were held during the year. These meetings were held on 16th May 2018, 29th May 2018, 8th August 2018, 9th August 2018, 6th September 2018, 31st October 2018, 13th February 2019 and 27th March, 2019.

The records of attendance of Directors are as under:

Sr. No.	Name of Director	No. of Board Meeting held *	No. of Board Meetings Attended
1.	Sailesh C. Mehta	8	8
2.	S. R. Wadhwa	8	8
3.	U. P. Jhaveri	8	8
4.	Parul S. Mehta	5	5
5.	Ashok P. Shah	8	8
6.	Raghunath Kelkar	8	6
7.	R. Sriraman	1	1

* Number of Board Meetings held during the period, in which Directors were eligible to attend Board Meetings.

AUDIT COMMITTEE

The Board of Directors of the Company at its meeting held on 16th May, 2018 has constituted Audit Committee having following members:

1. Shri S R Wadhwa - Chairman
2. Shri U P Jhaveri – Member
3. Shri Ashok P Shah - Member

The terms of reference of the Audit Committee are in terms of provisions of Section 177 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Six Audit Committee Meetings were held during the year. These meetings were held on 29th May 2018, 8th August 2018, 6th September 2018, 31st October 2018, 13th February 2019 and 27th March 2019.

The records of attendance of Members of Audit Committee are as under:

Sr. No.	Name of Member	No. of Committee Meeting held *	No. of Committee Meetings Attended
1.	Sailesh C. Mehta	6	6
2.	S. R. Wadhwa	6	6
3.	U. P. Jhaveri	6	6

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company at its meeting held on 8th August, 2018 has constituted Corporate Social Responsibility Committee having following members:

1. Shri S R Wadhwa - Chairman
2. Smt. Parul S. Mehta – Member
3. Shri Ashok P Shah - Member

The terms of reference of the Corporate Social Responsibility Committee are in terms of provisions of Section 135 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Two meetings of Corporate Social Responsibility Committee were held during the year on 31st October 2018 and 27th March 2019 and all the members of the Committee were present in the said meetings.

The Annual Report of the initiatives taken by the Company on CSR during the year as per Companies (Corporate Social Responsibility Policy) Rules is given in the **Annexure - A** forming part of this Report.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company at its meeting held on 27th March, 2019 has constituted Nomination and Remuneration Committee having following members:

1. Shri S R Wadhwa - Chairman
2. Shri U P Jhaveri – Member
3. Shri Ashok P Shah - Member

The terms of reference of the Nomination and Remuneration Committee are be in terms of provisions of the Companies Act, 2013 and Rules made thereunder.

ALLOTMENT COMMITTEE

The Board of Directors of the Company at its meeting held on 6th September, 2018 has constituted Allotment Committee having following members:

1. Shri Ashok P Shah - Member
2. Shri R. M. Kelkar – Member

One meeting of Allotment Committee was held on 14th September, 2018 and both members were present in the meeting.

INVESTMENT COMMITTEE

The Board of Directors of the Company at its meeting held on 31st October, 2018 has constituted Investment Committee having following members:

1. Shri Ashok P Shah - Member
2. Shri R. M. Kelkar – Member

One meeting of Investment Committee was held on 4th December 2018 and both members were present in the meeting.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 27th March, 2019 inter alia, to discuss:

1. The performance of Non-Independent Directors and the Board as a whole.
2. The performance of the Chairperson.
3. The quality, quantity and timeliness of flow of information between the Company Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present.

RELATED PARTY TRANSACTIONS

The Company has entered into contract / arrangement with related parties in the ordinary course of business and at arm's length basis. Thus, provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

PUBLIC DEPOSITS

The Company has not accepted any deposits, covered under Chapter V of the Companies Act, 2013 and hence no details pursuant to Rules 8 (v) and (vi) of the Companies (Accounts) Rules, 2014 are reported.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) the accounting policies had been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year on 31st March, 2019 and of the profit and loss of the Company for that period;

iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts had been prepared on a going concern basis; and

v) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS AND THEIR REPORT

The Members of the Company at the 12th Annual General Meeting held on 13th August, 2018 has accorded their consent to appoint M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) as Statutory Auditors of the Company for a period of five years from the conclusion of 12th Annual General Meeting until the conclusion of 17th Annual General Meeting of the Company.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Details of Investment and Loans advanced by the Company, if any, have been given in Notes to the Financial Statement**.**

The Company has not given any guarantee pursuant to the provisions of Section 186 of the Companies Act, 2013.

ANNUAL RETURN

The details forming part of the extract of the Annual Return are enclosed in **Annexure – B.**

SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY

There is no Subsidiary, Associate Company and Joint Venture Company of the Company.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations except for the Order of the Registrar of Companies, Pune, approving conversion of the Company from Private Limited Company to Public Limited Company, based on the application made by the Company in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the **Annexure - C** forming part of this Report.

INDUSTRIAL RELATION

Industrial Relations during the year under review continued to be cordial.

EMPLOYEES

During the year under review, there was no employee who was covered under Section 197 of the Companies Act, 2013 and the Rules made thereunder.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the Governmental authorities and other stakeholders for their continued support during the year.

For and on behalf of the Board of Directors,

Smehta

Place: Mumbai
Dated: 29th May, 2019

Sailesh C. Mehta
Chairman
(DIN. No- 00128204)

ANNEXURE - A

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken.**

Performance Chemiserve Limited (PTL) is committed to serve the society it operates in. It is and would conduct several outreach programmes around the Registered Office of the Company and the proposed Plant at Taloja, Maharashtra. These programmes are / would be in the areas of:

a) Women empowerment through vocational training (skill development) and livelihood programmes
b) Health;
c) Education; and
d) Other activities as specified in Schedule VII.

The underlying objectives are aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth and women to ensure livelihood for economic betterment and social development of themselves and their families, instilling pride and confidence (in the target population) to take on future challenges. Health initiatives, culture and heritage support programs have also formed PCL's ancillary focus areas.

2. **The Composition of the CSR Committee**

Sr. No	Name of Director	Chairman / Member
1.	Shri S. R. Wadhwa	Chairman
2.	Smt. Parul S. Mehta	Member
3.	Shri Ashok P Shah	Member

3. **Average net profit of the Company for last three financial years –** Rs. 262.48 Lakhs.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above).** - Rs. 5.25 Lakhs.

5. **Details of CSR spent during the financial year**:

   a) Total amount to be spent for the financial year: Rs. 5.25 Lakhs.
   b) Amount unspent, if any: Not applicable
   c) Manner in which the amount spent during the financial year is detailed below:

The Company had approved budget of Rs. 5.25 Lakhs to be spent through Ishanya Foundation, Implementing Agency, involved in CSR Activities. However, the Company did not receive any fund requirement request from Ishanya Foundation. Therefore, the Company searched for other options and came to know that Prabodhan, Goregaon (W), Mumbai, require fund for their Dialysis Centre (Health Care Activities). After considering the requirement, the Company had given Rs. 25 Lakhs during the Financial Year 2018-19 to Prabodhan for their Dialysis Centre (Health Care Activities) during the Financial Year 2018-19. The details of the amount spent is as under:

Sr. No.	CSR project or Activity Identified	Sector in which the Project is covered	Project or programs		Amount spent on the projects or programs during the FY 2018-19
			Local Area or other	State or District where Project or Programs was undertaken	
1.	Health Care	Health Care	Mumbai	Maharashtra	25,00,000
	TOTAL				**25,00,000**

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report**.

   Not applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objective and Policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Smehta	
Sailesh C. Mehta	S. R. Wadhwa
Chairman	**Chairman - CSR Committee**

ANNEXURE - B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

Pursuant to section 92 of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. Registration Details

1.	CIN	U24239PN2006PLC022101
2.	Registration Date	1st March, 2006
3.	Name of the Company	Performance Chemiserve Limited
4.	Category / Sub-Category of the Company	Public
5.	Address of the Registered office and contact details	Sai Hira, Survey No. 93, Mundhwa, Pune 411036
6.	Whether listed company Yes / No	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone : 040-67161507 Fax : (040) 2342 0814 Contact Person: Mr. Raju M. Email id : mulkala.raju@karvy.com

II. Principal Business Activities of the Company

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Drumming of Chemicals, IPA and Methanol	21009	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	NIC Code of the Product/ service	CIN/GLN	Holding/ Subsidiary/ Associate	% of Share held	Applicable section
01	Smartchem Technologies Limited	20123	U67120PN1987PLC166034	Holding	85.64	2(46)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	---	---	---	---	---	---	---	---	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt.(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	---	44,716	44,716	100.00	63,949	10,732	74681*	100	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any Other….	---	---	---	---	---	---	---	---	---
Sub-total (A) (1)	---	44,716	44,716	100.00	63,949	10,732	74681*	100	---
(2) **Foreign**									
a)NRIs – Individuals	---	---	---	---	---	---	---	---	---
b)Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other….	---	---	---	---	---	---	---	---	---
Sub-total (A) (2)	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	---	44,716	44,716	100.00	63,949	10,732	74681*	100	---
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks / FI	---	---	---	---	---	---	---	---	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Fund	---	---	---	---	---	---	---	---	---

Other	---	---	---	---	---	---	---	---	---
Other (Specify)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1):-	---	---	---	---	---	---	---	---	---
2. **Non-Institutions**									
a) Bodies Corp.	---	---	---	---	---	---	---	---	---
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals	---	---	---	---	---	---	---	---	---
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lac	---	---	---	---	---	---	---	---	---
ii) Individual Shareholders holding nominal share capital in excess of 2 Lac	---	---	---	---	---	---	---	---	---
c) Others (Specify	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):-	---	---	---	---	---	---	---	---	---
Total Public Shareholding (B)=(B)(1) + (B)(2)	---	---	---	---	---	---	---	---	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	---	44,716	44,716	100.00	63,949	10,732	74681*	100	---

* 7 Equity Shares are held by Smartchem Technologies Limited jointly with 7 Individuals.

ii. Share Holding of Promoter

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year			No. of Shares held at the end of the year			% Change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Robust Marketing Services Private Limited	10,725	23.98	---	10,725	14.36	---	(9.62)
2.	Smartchem Technologies Limited	33,991*	76.02	17.96	63,956#	85.64	51.00	9.62

* 13,415 Equity Shares have been pledged with Bank of Baroda (BOB) for the loan availed by the Company from BOB.

\# 7 Equity Shares are held by Smartchem Technologies Limited jointly with 7 Individuals. Further, 38088 Equity Shares have been pledged with Bank of Baroda (BOB) for the loan availed by the Company from BOB.

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**Robust Marketing Services Private Limited (RMSPL)**				
	At the beginning of the year	10,725	23.98	10,725	14.36
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): Reason: Transfer & Issue (Allotment) of Shares				

	At the End of the year			10,725	14.36
2	**Smartchem Technologies Limited (STL)**				
	At the beginning of the year	33,991	76.02	33,991	76.02
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Reason: Transfer & Issue (Allotment) of Shares	29,965 Equity Shares allotted on 14th September, 2018	40.12	63,956	85.64
	At the End of the year			63,956#	85.64

7 Equity Shares are held by Smartchem Technologies Limited jointly with 7 Individuals.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

NOT APPLICABLE

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of Shares	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
01	Ashok P Shah				
	At the beginning of the year	--	--	---	----
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--

02	Raghunath Kelkar				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--
03	S. C. Mehta				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1 Equity Share transferred from STL to STL jointly with Sailesh Mehta on 9th August, 2018	--	--	--
	At the End of the year	--	--	1	0.001
04	S. R. Wadhwa				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--
05	U. P. Jhaveri				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year	--	--	--	--
06	Parul Mehta				
	At the beginning of the year	--	--	--	--

	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1 Equity Share transferred from STL to STL jointly with Parul Mehta on 9th August, 2018	--	--	--
	At the End of the year	--	--	1	0.001
07	R. Sriraman@				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1 Equity Share transferred from STL to STL jointly with R. Sriraman on 9th August, 2018	--	--	--
	At the End of the year	--	--	1	0.001

@ Appointed as an Additional Independent Director in the Board Meeting held on 27th March, 2019 w.e.f. 27th March, 2019.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Rs. in Lakhs

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	54,132	--	--	54,132
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	**54,132**	**--**	**--**	**54,132**

Change in Indebtedness during the financial year				
• Addition	92,578	--	--	92,578
• Reduction	71,977	--	--	71,977
Net Change	**20,601**	**--**	**--**	**20,601**
Indebtedness at the end of the financial year				
i) Principal Amount	74,733	--	--	74,733
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	21	--	--	21
Total (i+ii+iii)	**74,754**	**--**	**--**	**74,754**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

NOT APPLICABLE

Sr. No	**Particulars of Remuneration**	**Name of MD/WTD/Manager**				**Total Amount**
1.	Gross salary (a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	--	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--	--
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission	--	--	--	--	--
	- as % of profit	--	--	--	--	--
	- others, specify…	--	--	--	--	--
5.	Others, please specify	--	--	--	--	--
	Total (A)	--	--	--	--	--
	Ceiling as per the Act	--	--	--	--	--

B. Remuneration to Other Director:

Sr. No	Particulars of Remuneration	Name of Director				Total Amount (Rs.)
1.	**Independent Director**	Shri S.R. Wadhwa	Shri U. P. Jhaveri		Shri R. Sriraman	
	Fee for attending board / committee meetings	3,50,000	3,20,000		25,000	6,95,000
	Commission	--	--			--
	Others, please specify	--	--			--
	Total (1)	**3,50,000**	**3,20,000**		**25,000**	**6,95,000**
2.	**Other Non-Executive Directors**	Shri S. C. Mehta	Smt. Parul Mehta	Shri Ashok P. Shah	Shri Raghunath Kelkar	
	Fee for attending board / committee meetings	2,00,000	1,55,000	3,80,000	1,80,000	9,15,000
	Commission	--	--			--
	Others, please specify	--	--			--
	Total (2)					
	Total (B)=(1+2)	**2,00,000**	**1,55,000**	**3,80,000**	**1,80,000**	**9,15,000**
	Total Managerial Remuneration					**16,10,000**
	Overall Ceiling as per the Act					**N. A.**

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	**Company Secretary ****	**CFO**	
1.	Gross salary (a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify…	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total (A)	--	--	--	--

** Shri Pankaj Gupta has been appointed as Company Secretary of the Company w.e.f. 13th February, 2019. Further, he is also Company Secretary of Holding Company, Smartchem Technologies Limited (STL). He is drawing salary only from Holding Company, STL.

VII. Penalties / Punishment/ Compounding of Offences:

Type	**Section of The Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority [RD / NCLT/ COURT]**	**Appeal made, if any (give Details)**
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
OTHER OFFICERS IN DEFAULT			**NIL**		
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

ANNEXURE - C

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

a. The steps taken or impact on conservation of energy - NIL

b. the steps taken by the Company for utilising alternate sources of energy - NIL

c. the capital investment on energy conservation equipments - NIL

B. TECHNOLOGY ABSORPTION

1. Efforts in brief, made towards Technology Absorption, Adaptation and Innovation - NIL

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. - NIL

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished – NIL

4. The expenditure incurred on Research & Development – NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no Foreign Exchange Earnings. The total Foreign Currency Expenditure during the year under review were Rs. 9224 Lakhs. The details of the same are as under:

Particulars	**Amount in Lakhs**
Advance for Capital Assets/Capital Assets	7427
Consultancy and Professional Fees	882
License Fees	907
Repairs and Maintenance	8
Total Foreign Exchange outgo	**9224**

For and on behalf of the Board of Directors,

Place: Mumbai

Dated: 29th May, 2019

Sailesh C. Mehta

Chairman

(DIN. No- 00128204)

B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

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Lines, Mumbai - 400 020, India

INDEPENDENT AUDITOR'S REPORT

To the Members of,
Performance Chemiserve Limited
(formerly: Performance Chemiserve Private Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone financial statements of **Performance Chemiserve Limited (formerly: Performance Chemiserve Private Limited)** ("the Company"), which comprise the Balance sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than Ind AS Financial Statement and Auditor's Report thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in Company's Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B. K. Khare & Co. Pune Chartered Accountants

In connection with our audit of the Ind AS 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 in the 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 and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that 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.

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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing 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 Standard on Auditing, 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.

B. K. Khare & Co.
Pune
Chartered Accountants

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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. K. Khare & Co. * Chartered Accountants * Pune

(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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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 Indian Accounting Standards financial statements.

ii. The Company has made provision, as required under the applicable law or India Accounting Standard for material foreseeable losses, if any, on long term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404
Pune, 29th May 2019

B. K. Khare & Co. * Chartered Accountants * Pune

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) In respect of its Fixed Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals, according to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management and the records examined by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company

(ii) The Company does not have any inventory. Therefore, reporting under provision of Clause 3 (ii) of the said Order is not applicable to the Company

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, reporting under provisions of Clause 3 (iii) (a), (iii) (b) and (iii) (c) of the said Order is not applicable to the Company

(iv) In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Act in respect of loans and advances given, investments made and guarantees and securities given to parties covered under the respective sections have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder to the extent notified. Therefore, reporting under provisions of Clause 3 (v) (a), (v) (b) and (v) (c) of the said Order is not applicable to the Company.

(vi) The Company is not required to maintain cost records as prescribed under sub-section (1) of Section 148 of the Act. Therefore, reporting under provision of Clause 3 (vi) of the said Order is not applicable to the Company.

B. K. Khare & Co. * Pune * Chartered Accountants

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) According to the records of the Company examined by us and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Customs duty, Excise duty, Value Added Tax (VAT), Goods & Service Tax, Cess and other applicable statutory dues with the appropriate authorities during the year.

There are no arrears of outstanding disputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date the became payable.

(b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax and Cess which have not been deposited as on 31st March 2019 on account of disputes.

(viii) Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or Government or debenture holders as at the 31st March 2019.

(ix) Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were obtained. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer.

(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, no instance of fraud by the Company or material fraud on the Company by its officers or employees, was noticed or reported to us by the management during the year.

(xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) As the Company is not a Nidhi Company reporting under provision of Clause 3 (xii) of the order is not applicable to the company.

(xiii) Based on the records examined by us and according to the information and explanations given to us, the Company is in compliance with the provisions of Section 177 and Section 188 of the Act, where applicable, for all the transactions with related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by applicable Accounting Standards.

B. K. Khare & Co. ★ Chartered Accountants ★ Pune

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, reporting under provision of Clause 3 (xiv) of the Order is not applicable to the Company.

(xv) Based on the records examined by us and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them. Therefore, reporting under provision Clause 3 (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under provision of Clause 3 (xvi) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404
Pune, 29th May 2019

B. K. Khare & Co. * Chartered Accountants * Pune

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Smartchem Technologies Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the Ind AS 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of 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 over financial reporting.

B. K. Khare & Co. * Pune * Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For B.K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Ravi Kapoor
Partner
Membership No. 040404
Pune, 29th May 2019

B. K. Khare & Co. * Chartered Accountants * Pune

PERFORMANCE CHEMISERVE LIMITED

(Formerly Known as "PERFORMANCE CHEMISERVE PRIVATE LIMITED")

Balance Sheet as at 31 March 2019

(All Amounts in INR Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,812	3,794
Capital work-in-progress	4	55,919	19,419
i. Loans	7	-	7
Other non - current assets	11	29,617	32,068
Total non-current assets		**95,348**	**55,288**
Current assets			
Financial assets			
i. Investments	5	24,253	9,336
ii. Trade receivables	6	119	43
iii. Cash and cash equivalents	8	228	51
iv. Bank balances other than (iii) above	9	243	-
v. Other financial assets	10	8	397
Current tax assets (net)	12	-	3
Other current assets	13	9,500	2,903
Total current assets		**34,351**	**12,733**
Total assets		**1,29,699**	**68,021**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	7	4
Other equity	15	44,595	13,397
Total equity		**44,602**	**13,401**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	16	74,733	-
Deferred tax liabilities	20	34	36
Total non-current liabilities		**74,767**	**36**
Current liabilities			
Financial liabilities			
i. Borrowings	17	-	54,132
ii. Trade payables	18		
a) total outstanding dues of micro and small enterprises		-	1
b) total outstanding dues of creditors other than micro and small enterprises		23	-
iii. Other financial liabilities	19	10,209	428
Current tax liabilities	21	28	-
Other current liabilities	22	70	23
Total current liabilities		**10,330**	**54,584**
Total liabilities		**85,097**	**54,620**
Total equity and liabilities		**1,29,699**	**68,021**
Summary of Significant Accounting Policies	1 - 2		
The accompanying notes are integral parts of the Financial Statements	3 - 37		

As per our report of even date attached

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

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

S. C. Mehta
Chairman
DIN:00128204

Upendra Patro
CFO

Ravi Kapoor
Partner
Membership No.: 040404

B. K. Khare & Co. Pune Chartered Accountants

Ashok Shah
Director
DIN:00196506

Pankaj Gupta
Company Secretary
Membership No: F-9219

Performance Chemiservice Limited PUNE

Place: Pune
Date: 29 May 2019

Place: Pune
Date: 29 May 2019

PERFORMANCE CHEMISERVE LIMITED

(Formerly Known as "PERFORMANCE CHEMISERVE PRIVATE LIMITED")

Statement of Profit and Loss for the year ended 31 March 2019

(All Amounts in INR Lakhs unless otherwise stated)

	Notes	31 March 2019	31 March 2018
Revenue from operations	23	229	285
Other income	24	1,643	484
Total income		**1,872**	**769**
Expenses			
Employee benefit expense	25	10	9
Finance costs	26	-	1
Depreciation and amortisation expense	27	43	28
Other expenses	28	91	17
Total expenses		**144**	**55**
Profit before tax		**1,728**	**714**
Income tax expense			
- Current tax		498	125
- Deferred tax		(2)	38
Total tax expense		**496**	**163**
Profit from continuing operations		**1,232**	**551**
Profit for the year		**1,232**	**551**
Other comprehensive income		-	-
Total comprehensive income for the year		**1,232**	**551**
Earning per Equity Share: Face value Rs. 10 each (Rs. 10)			
i) Basic (in ₹)		2,013.18	1,299.42
ii) Diluted (in ₹)		2,013.18	1,299.42
Weighted average number of Equity Shares: Face value Rs. 10 each (Rs. 10)			
i) Basic (In Nos)		61,197	42,404
ii) Diluted (in Nos)		61,197	42,404
Significant Accounting Policies	1 - 2		
The accompanying notes form an integral part of financial statements	3 - 37		

As per our report of even date attached

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

B. K. Khare & Co. Chartered Accountants Pune

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

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

S. C. Mehta
Chairman
DIN:00128204

Upendra Patro
CFO

Performance Chemiservice Limited PUNE

Ashok Shah
Director
DIN:00196506

Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Pune
Date: 29 May 2019

PERFORMANCE CHEMISERVE LIMITED

(Formerly Known as "PERFORMANCE CHEMISERVE PRIVATE LIMITED")

Staement of Cash Flows for the year ended 31 March 2019

(All Amounts in INR Lakhs unless otherwise stated)

	Year Ended 31 March 2019	Year Ended 31 March 2018
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	1,728	714
Adjustments for		
Depreciation and amortisation expense	43	28
Gain on sale of investments	(918)	(157)
Changes in fair value of financial assets at fair value through profit or loss	(145)	(107)
Finance costs	-	1
Dividend Income	(122)	(167)
Interest Income	(239)	(7)
Unrealised foreign exchange differences	175	(34)
Cash generated from operations before working capital changes		
(Increase)/Decrease in trade receivables	(76)	(25)
Increase/(Decrease) in trade payables	22	-
Increase/(Decrease) in Other Financial Liabilities	21	-
(Increase) in other financial assets	363	(361)
(Increase)/decrease in other non-current assets	-	-
(Increase)/decrease in other current assets	(6,597)	(2,901)
Increase in other current liabilities	47	23
Cash generated from operations	**(5,698)**	**(2,993)**
Income taxes paid	467	125
Net cash inflow from operating activities	**(6,165)**	**(3,118)**
Cash flows from investing activities		
Purchase of property, plant and equipment, Intangible assets	(6,061)	(3,796)
Payment for capital work in progress	(17,074)	(46,842)
Acquisition of Investment	(82,851)	(25,082)
Proceeds from sale of investments	69,119	16,177
Changes in other bank balances - Investment in Short Term Bank Deposits	(243)	-
Loans and Advances	7	-
Interest received	239	7
Net cash outflow from investing activities	**(36,864)**	**(59,536)**
Cash flows from financing activities		
Proceeds from issues of shares	29,999	11,923
Proceeds from borrowings - Non Current	74,733	-
Proceeds from borrowings - Current	-	54,132
Repayment of Short Term Loan - Current	(54,132)	-
Share issue costs	(30)	(12)
Bank Changes and Interest paid	(7,364)	(4,203)
Net cash inflow (outflow) from financing activities	**43,206**	**61,840**
Net increase (decrease) in cash and cash equivalents	177	(814)
Cash and cash equivalents at the beginning of the financial year	51	865
Cash and cash equivalents at end of the year (refer note 8)	**228**	**51**

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
Performance Chemiserve Limited

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

B. K. Khare & Co. Pune Chartered Accountants

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

S. C. Mehta
Chairman
DIN:00128204

Upendra Patro
CFO

Performance Chemiservice Limited PUNE

Ashok Shah
Director
DIN:00196506

Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Pune
Date: 29 May 2019

PERFORMANCE CHEMISERVE LIMITED

(Formerly Known as "PERFORMANCE CHEMISERVE PRIVATE LIMITED")

Statement of Changes in Equity for the year ended 31 March 2019

(All Amounts in INR Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2019	31 March 2018
Balance at the beginning of the year	4	1
Changes in equity shares capital during period	3	3
Balance at the end of the year	**7**	**4**

B. Other Equity

	Reserves and surplus			Total
	Securities premium	Retained earnings	General Reserve	
Balance as at 31 March 2017	-	**846**	**92**	**938**
Profit for the year	-	551	-	551
Total comprehensive income for the year	-	**1,397**	**92**	**1,489**
Securities premium on share issue	**11,908**	-	-	**11,908**
Transfer to general reserve	-	**(55)**	**55**	-
Balance as at 31 March 2018	**11,908**	**1,342**	**147**	**13,397**
Profit for the year	-	1,232	-	1,232
Total comprehensive income for the year	-	**1,232**	-	**1,232**
Securities premium on share issue	29,966	-	-	29,966
Balance as at 31 March 2019	**41,874**	**2,574**	**147**	**44,595**

Note (1) Refer note 15 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 B.K.Khare & Co.
Chartered Accountants
Firms Registration No.: 105102W

B. K. Khare & Co. Pune Chartered Accountants

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

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

S. C. Mehta
Chairman
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Ashok Shah
Director
DIN:00196506

Pankaj Gupta
Company Secretary
Membership No: F-9219

Place: Pune
Date: 29 May 2019

1. CORPORATE INFORMATION

Performance Chemiserve Limited ("the company")*(Formerly known as Performance Chemiserve Private Limited)* is engaged in the business of drumming of chemicals, IPA and menthol 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 Standalone 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 Standalone 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 Standalone financial statements are presented in Indian Rupees ("INR"), which is also company's functional currency and all values are rounded off to the nearest lacs, except when otherwise indicated. Wherever, an amount is presented AS INR '0' it construe value less than ₹ 50,000.

2.2 Significant accounting estimates, assumptions and judgements

The preparation of the Standalone 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 Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change

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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 transaction 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 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 provability 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

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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 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 noncurrent.

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

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Performance Chemiservice Limited PUNE

• 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 noncurrent.

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

Effective 01 April 2018, Ind AS 115 -'Revenue from contracts with customers' has replaced Ind AS 18 - 'Revenue' and Ind AS 11 - 'Construction contracts'. The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("hereinafter referred to as Ind AS 115") effective from 01 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

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.

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

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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.

(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 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

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amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

(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 FVTOCI 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.

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Performance Chemiserve Limited PUNE

Equity investments

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 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

B. K. Khare & Co. Pune Chartered Accountants

Performance Chemiservice Limited PUNE

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 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 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

B. K. Khare & Co. Pune Chartered Accountants

Performance Chemiservice Limited PUNE

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.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets in which case they are capitalized in accordance with the Group general policy on borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

B. K. Khare & Co. Pune Chartered Accountants

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(i) 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 cashflows that are largely independent of those from other assets or Company 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 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. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(j) 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.

(k)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.

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(l) 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.

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.

(m) 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.

(n) 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.

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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 except when the deferred tax liability arises from the initial recognition of goodwill or 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; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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 reasonably 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 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.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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(o) 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 purposes 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.

(p) Investment property

Property that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

(q) Business Combinations:
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Company elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

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Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(r) Recent Accounting Developments

Ind AS - 116 : Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Company is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3)

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entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 23 –Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact due to this amendment.

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Note 3: Property, Plant & Equipment

	Free-hold Land	Lease-hold Land	Plant and Equipment	Total
Gross carrying amount as at 01 April 2017	-	-	68	68
Additions	1,282	2,513	-	3,795
Gross carrying amount as at 31 March 2018	**1,282**	**2,513**	**68**	**3,863**
Accumulated depreciation	-	-	41	41
Depreciation charge during the year	-	22	6	28
Accumulated depreciation as at 31 March 2018	-	**22**	**47**	**69**
Net carrying amount as at 31 March 2018	**1,282**	**2,491**	**21**	**3,794**
Gross carrying amount as at 01 April 2018	**1,282**	**2,513**	**68**	**3,863**
Additions	6,061	-	-	6,061
Gross carrying amount as at 31 March 2019	**7,343**	**2,513**	**68**	**9,924**
Accumulated depreciation				
Opening accumulated depreciation	-	22	47	69
Depreciation charge during the year	-	37	6	43
Accumulated depreciation as at 31 March 2019	-	**59**	**53**	**112**
Net carrying amount as at 31 March 2019	**7,343**	**2,454**	**15**	**9,812**

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Note 4: Capital work-in-progress

	31 March 2019	31 March 2018
Projects #	55,911	19,419
Others	8	-
Net carrying amount	**55,919**	**19,419**

Includes borrowing cost of ₹. 7,364 lacs (31 March 2018 ₹. 4,203 lacs)

Note 5: Current investments

	31 March 2019	31 March 2018
Investment in mutual funds* (Carried at fair value through profit and loss)	24,253	9,336
Total	**24,253**	**9,336**

*** Investment in Mutual Funds**

Name of Mutual Fund	No. of Units	Cost	Market Value
Axis Liquid Fund - Direct - Growth	45,878	914	951
Baroda Pioneer Liquid Fund Regular Growth	10,78,069	22,858	23,058
Kotak Money Market Scheme Growth	3,605	101	111
Kotak Liquid Regular Plan Growth	1,580	58	60
ICICI Prudential Liquid Fund Growth	26,474	70	73
Total	**11,55,606**	**24,000**	**24,253**

Note 6: Trade Receivables

	31 March 2019	31 March 2018
Considered good - Secured	-	-
Considered good - Unsecured	119	43
Receivables which have significant increase in credit risk	-	-
Less- Credit Impaired	-	-
Total	**119**	**43**

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Note 7: Loans (Asset)

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
Loan to others	-	-	-	7
Total	-	-	-	7

Note 8: Cash & Cash Equivalents

	31 March 2019	31 March 2018
Balances with banks		
- in current accounts	28	51
In deposits with original maturity upto three months	200	-
Total	**228**	**51**

Note 9: Other Bank Balances

	31 March 2019	31 March 2018
Deposits with maturity upto twelve months from the reporting date	243	-
Total	**243**	**-**

Note 10: Other Financial Assets

	31 March 2019		31 March 2018	
	Current	Non Current	Current	Non Current
(i) Derivatives				
Foreign currency forward Contracts	8	-	34	-
(ii) Others				
-Interest receivable	-	-	3	-
-EIR on loan Others	-	-	360	-
Total	8	-	**397**	-

Note 11: Other Non - Current Assets

	31 March 2019	31 March 2018
Capital advances	29,602	32,053
Balances with Government Authorities	15	15
Total	**29,617**	**32,068**

Note 12: Current Tax Assets

	31 March 2019	31 March 2018
Opening balance	-	3
Add: Current tax payable for the year	-	125
Less: Taxes paid	-	(125)
Closing balance	-	**3**

Note 13: Other Current Assets

	31 March 2019	31 March 2018
Advances to suppliers	4	-
Balances with Government Authorities	9,496	2,903
Total	**9,500**	**2,903**

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Note 14: Share Capital

	31 March 2019	31 March 2018
Authorised		
1,00,000 equity shares of Rs. 10/- each. (31 March 2018 : 1,00,000 equity shares of Rs 10/- each)	10	10
	10	**10**
Issued, subscribed and fully paid share		
74,681 equity shares of Rs. 10/- each. (31 March 2018 : 44,716 equity shares of Rs 10/- each)	4	1
Increase during the year (FY- 2018-19, 29,965 Equity Shares of Rs.10 each)	3	
(FY- 2017-18, 34,716 Equity Shares of Rs.10 each)	-	3
Fully Paid Share Capital	**7**	**4**

(i) Reconciliation of the number of Equity Shares

	31 March 2019		31 March 2018	
Equity Shares	**No of Shares**	**Amount**	**No of Shares**	**Amount**
Balance as at the beginning of the year	44,716	4	10,000	1
Add: Issued during the year	29,965	3	34,716	3
Balance as at the end of the year	**74,681**	**7**	**44,716**	**4**

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.

The Company declares and pays dividend in Indian Rupees. The dividend is proposed by the Board of Directors is subject to the approval of shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company the holders of Equity Share 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 2019		31 March 2018	
	Number of shares	**% Holding**	**Number of shares**	**% Holding**
Smartchem Technologies Limited	63,956	85.64%	33,991	76.02%
Robust Marketing Services Private Limited	10,725	14.36%	10,725	23.98%

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Note No 15: Other Equity

	31 March 2019	31 March 2018
Securities premium	41,874	11,908
General Reserve	147	147
Retained earnings	2,574	1,342
Total reserves and surplus	**44,595**	**13,397**

(i) Securities Premium

	31 March 2019	31 March 2018
Opening Balance	11,908	-
Add: - Received during the year	29,996	11,920
Less:- Share Issue Expenses	(30)	(12)
Closing Balance	**41,874**	**11,908**

(ii) General Reserve

	31 March 2019	31 March 2018
Opening Balance	147	92
Add:- Transfer during the year from Retained Earning	-	55
Closing Balance	**147**	**147**

(iii) Retained earnings

	31 March 2019	31 March 2018
Opening balance	1,342	846
Net profit for the year	1,232	551
Transfer to General Reserve	-	(55)
Closing Balance	**2,574**	**1,342**

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.

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Financial Liabilities
Note 16: Non - Current Borrowings

	Maturity date	Terms of repayment	Interest rate	31 March 2019	31 March 2018
Secured					
Term loans					
Bank of Baroda	31 December 2036	Redeemable in quarterly instalment starting from March 2023	9.90% per annum, Interest payable monthly	74,733	-
Total				**74,733**	**-**

The term loan from Bank of Baroda 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 lenders' of all borrowers movable assets,immovable properties, and all the intangible assets in relation to the project, both present and future.

Note 17: Current Borrowings

	31 March 2019	31 March 2018
Term loans		
From banks		
Short term loan from bank	-	54,132
Total	**-**	**54,132**

Short Term loan from bank was taken in Financial Year 2017-18 carrying interest rate of 9.75% p.a and was secured by a first charge by way of hypothecation of all present and future movable fixed assets in relation to the project. Loan has been reapid during the current financial year 2018-19.

Note 18: Trade Payables

	31 March 2019	31 March 2018
Current		
Trade Payables		
Due to Micro, Small & Medium Enterprises	-	1
Due to Others	23	-
Total	**23**	**1**

Dues to Micro, small & medium enterprises

	31 March 2019	31 March 2018
Principal amount due at year end	-	1
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 2019	31 March 2018
Current		
Interest accrued	21	-
Capital creditors	10,039	428
Foreign-exchange forward contracts	149	-
Total	**10,209**	**428**

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Note 20: Deferred Tax Liabilities (Net)
Movements during the year ended 31 March 2019:

	1 April 2018	Credit/(Change) in the statement of Profit and Loss	Credit/(Change) in the statement of Other Comprehensive Income	31 March 2019
Property, plant and equipment and investment property	(3)	6	-	3
Financial assets at fair value through profit or loss	39	(8)	-	31
Net deferred tax liabilities	**36**	**(2)**	**-**	**34**

Movements during the year ended 31 March 2018:

	1 April 2017	Credit/(Change) in the statement of Profit and Loss	Credit/(Change) in the statement of Other Comprehensive Income	31 March 2018
Property, plant and equipment and investment property	(2)	(1)	-	(3)
Financial assets at fair value through profit or loss	-	39	-	39
Net deferred tax liabilities	**(2)**	**38**	**-**	**36**

Note 21: Current Tax Liabilities

	31 March 2019	31 March 2018
Opening balance	(3)	-
Add: Current tax payable for the year	498	-
Less: Taxes paid	(467)	-
Closing balance	**28**	**-**

Note 22: Other current liabilities

	31 March 2019	31 March 2018
Statutory tax payables	69	23
Other payables	1	-
Total	**70**	**23**

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Note 23: Revenue from Operations

	31 March 2019	31 March 2018
Income From Drumming Operations -Drumming Services	229	285
Total	**229**	**285**

The Company derives revenues primarily from business of Drumming of chemicals.

Effective April April 1, 2018 company adopted Ind AS-115 Revenue from contract with customers, using modified retrospective approach for the purpose of transition. Revenue is recognized upon transfer of control of promised products or services to customers in amount reflects the consideration we expect to receive in exchange for those products or services.

Note 24: Other income

	31 March 2019	31 March 2018
Dividend income from investments in Mutual Funds	122	167
Interest income	239	7
Fair Value gain on financial assets measured at fair value through profit or loss	145	174
Net gain on sale of investments	918	157
Foreign exchange Fluctuations(Net)	219	(21)
Total	**1,643**	**484**

Other Income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contract and on translation of other assets and liabilities. Interest Income is recognized using effective interest method. Dividend income is recognized when the right to received is established.

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Note 25: Employee benefit expense

	31 March 2019	31 March 2018
Salaries, wages and bonus	10	9
Total	**10**	**9**

Note 26: Finance costs

	31 March 2019	31 March 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	7,364	4,203
Less: Amount capitalised	7,364	4,202
Finance costs expensed in profit or loss	-	**1**

Note 27: Depreciation and amortisation expense

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment	43	28
Total	**43**	**28**

Note 28: Other expenses

	31 March 2019	31 March 2018
Power, Fuel and Water	2	2
Material Handling Charges	6	5
Repairs to :		
- Plant and Machinery	9	8
Rates, taxes and Duities	17	1
Directors' Sitting Fees	16	-
Legal and Professional Fees	13	-
Corporate social responsibility expenditure (refer note 28(a) below)	25	-
Payments to auditors (refer note 28(b) below)	3	1
Total	**91**	**17**

Note 28(a): Corporate social responsibility expenditure

	31 March 2019	31 March 2018
Ishanya Foundation	-	-
Others	25	-
Total	**25**	-
Amount required to be spent as per Section 135 of the Act	5	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	25	-

Note 28(b): Details of payments to auditors

	31 March 2019	31 March 2018
Payment to auditors		
As auditor:		
Audit fee	3	1
Tax audit fee	-	-
Total	**3**	**1**

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Note 29: Fair value measurements
Financial instruments by category

	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	24,253	-	-	9,336	-	-
Trade receivables	-	-	119	-	-	43
Loans	-	-	-	-	-	7
Cash and cash equivalents	-	-	228	-	-	51
Other bank balances	-	-	243	-	-	-
Foreign exchange forward contracts/options	8	-	-	34	-	-
Other financial assets	-	-	-	-	-	363
Total financial assets	24,261	-	590	9,370	-	464
Financial liabilities						
Borrowings	-	-	74,733	-	-	54,132
Trade payables	-	-	23	-	-	1
Capital creditors	-	-	10,039	-	-	428
Total financial liabilities	-	-	84,795	-	-	54,561

(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 (unadjusted) 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 financials assets and liabilities that are measured at fair value or where fair value disclosure is required:

Financial assets and liabilities measured at fair value	31 March 2019				31 March 2018			
At 31 March 2019	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Investments at FVPL								
Mutual funds - Growth plan	-	24,253	-	24,253	-	9,336	-	9,336
Derivatives not designated as hedges								
Foreign exchange forward contracts/options	-	8	-	8	-	34	-	34
Total financial assets	-	24,261	-	24,261	-	9,370	-	9,370

(ii) Valuation process to determine fair value

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

i) 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.

ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. In the case of the investment measured at fair value and falling under fair value hierarchy Level 3, cost has been considered as an appropriate estimate of fair value. The carrying value of those investments are individually immaterial.

iii) 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.

iv) The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the Company (since the date of inception of the loans).

v) The fair values of the unsecured redeemable non-convertible debenture (included in long term borrowings) are derived from quoted market prices/discounting using current market interest rates. The Company has no other long-term borrowings with fixed-rate of interest.

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Note 30: 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 defense 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 2019 is NIL.(31 March 2018: 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.

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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 2019	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivatives financial liabilities					
Borrowings	74,733	-	2,044	72,689	74,733
Trade payables	23	23	-	-	23
Other financial liabilities	10,060	10,060	-	-	10,060
Total non-derivative liabilities	**84,816**	**10,083**	**2,044**	**72,689**	**84,816**
Derivatives financial liabilities					
Foreign exchange forward contracts	149	149	-	-	149
Total derivative liabilities	**149**	**149**	**-**	**-**	**149**

31 March 2018	Carrying Amount	Payable within 1 year	More than 1 year	More than 5 years	Total
Non-derivatives					
Borrowings	54,132	54,132	-	-	54,132
Trade payables	1	1	-	-	1
Other financial liabilities	428	428	-	-	428
Total non-derivative liabilities	**54,561**	**54,561**	**-**	**-**	**54,561**

iii. Market risk

Market risk is the risk that changes in market prices 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. As at 31 March 2019, there are no foreign payables or receivables outstanding.(31 March 2018:NIL)

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, entering into forward contracts.

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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 borrowings of the Company are principally denominated in rupees with fixed rate of interest and hecne the Company not exposed to any interest rate risk.

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 2019	31 March 2018
Varibale Rate	-	-
Fixed rate borrowings	74,733	54,132
Total borrowings	**74,733**	**54,132**

(ii) Sensitivity

As Company has exposure of fixed rate of interest borrowings with annual reset, therefore no exposure to sensitivity is NIL

Note 31. 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 its 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 2019	31 March 2018
Net debt (net of cash and cash equivalents)	74,262	54,081
Total equity	44,602	13,401
Net debt to equity ratio	**1.66**	**4.04**

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Note : 32(a) Names of the related parties and relationships

A. **Holding Company**

1 Smartchem Technologies Limited (STL)

Ultimate Holding Company

Deepak Fertilisers and Petrochemcials Corporation Limited

B. **Key Management Personnel**

(a) **Non-executive directors**

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

Non-executive Independent directors

Mr. S. R. Wadhwa
Mr. Shri U. P. Jhaveri
Mr. Shri R. Sriraman (w.e.f. 27th March, 2019)

(b) **Company Secretary**

Mr. Pankaj Gupta ***

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

C. **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 Mahadhan Farm Technologies Private Limited
12 Robust Marketing Services Private Limited

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Note 32(b) Related Party transactions

(All Amounts in INR Lakhs unless otherwise stated)

		31 March 2019			31 March 2018		
Sr. No.	**Nature of Transactions**	**Ultimate Holding Entity**	**Key Management Personnel**	**Total**	**Ultimate Holding Entity**	**Key Management Personnel**	**Total**
1	**Rendering of services**						
	Deepak Fertilisers And Petrochemcials Corporation Ltd	229	-	229	285	-	285
2	**Receiving of services/reimbursement of expenses**						
	Deepak Fertilisers And Petrochemcials Corporation Ltd	(244)	-	(244)	(130)	-	(130)
3	**Sitting Fees paid to Non executive Directors**	-	(9)	(9)	-	-	-
4	**Amount outstanding**						
	Trade Payables						
	Deepak Fertilisers And Petrochemcials Corporation Ltd	-	-	-	107	-	107
	Trade Receivables						
	Deepak Fertilisers And Petrochemcials Corporation Ltd	101	-	101	-	-	-

Note: Figures in bracket are outflows

Note 33: Contingent Liabilities Commitments

Sr. No.	Particulars	31 March 2019	31 March 2018
	A. Contingent Liabilities		
1	Letter of Credit issued in favour of suppliers	18,694	24,617
	Total	**18,694**	**24,617**
	B. Commitments		
1	Related to Projects	50,216	60,086
	Total	**50,216**	**60,086**

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Note 34: Income Taxes

A. Components of Income Tax Expenses	31 March 2019	31 March 2018
I. Tax expense recognised in the statement of profit and loss		
Current Year	498	125
Total (A)	**498**	**125**
Deferred tax charge/(credit)	(2)	38
Total (B)	**(2)**	**38**
Total (A+B)	**496**	**163**
II. Tax on Other Comprehensive Income	-	-
Total	-	-

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2019 and 31 March 2018

Particulars	31 March 2019	31 March 2018
Accounting profit before tax	1,728	714
At India's statutory income tax rate of 29.12% (31 March 2018: 27.82%) (A)	**503**	**199**
Effects of income not subject to tax		
Dividend income	(36)	(46)
Effects of non-deductible business expenses	22	12
Others	7	(2)
Total (B)	**(7)**	**(36)**
Income Tax expense reported in the statement of profit or loss (A+B)	**496**	**163**

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.

Note 36: Previous year figures have been audited by a firm other than BK Khare & Co

Note 37: Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure.

As per our report of even date attached

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

Ravi Kapoor
Partner
Membership No.: 040404

Place: Pune
Date: 29 May 2019

B. K. Khare & Co. Chartered Accountants Pune

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

S. C. Mehta
Chairman
DIN:00128204

Upendra Patro
CFO

Ashok Shah
Director
DIN:00196506

Pankaj Gupta
Company Secretary
Membership No: F-9219

Performance Chemiservice Limited PUNE

Place: Pune
Date: 29 May 2019