



# ANNUAL REPORT 2023-24

## NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that Eighteenth Annual General Meeting of the Members of **Performance Chemiserve Limited** will be held on Monday, 9<sup>th</sup> September 2024, at 11.00 a.m. at the Registered Office of the Company at Sai Hira, Survey No. 93, Mundhwa, Pune - 411036 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the period ended 31<sup>st</sup> March 2024, and the Board's Report and Report of the Auditors thereon.
2. To appoint a director in place of Smt. Parul Mehta (DIN: 00196410), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a director in place of Mr. M P Shinde (DIN: 06533004), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

4. To ratify the remuneration to be paid to the Cost Auditors of the Company 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 148 and other applicable provisions of the Companies Act 2013, and Companies (Audit and Auditors) Rules 2014, {including any statutory modification(s) or re-enactment thereof}, and based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s Harshad S. Deshpande & Associates, (Firm Registration No. 00378) appointed as Cost Auditors of the Company

to conduct the Cost Audit of all applicable products for the financial year ending 31<sup>st</sup> March 2025, amounting to Rs. 2 Lakhs (Rupees Two Lakh only) plus taxes as applicable and reimbursement of travel and out-of-pocket expenses at actual, in connection with the said audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any Director, Chief Financial Officer and Company Secretary of the Company be and are hereby authorised severally to do and perform all such 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: 28<sup>th</sup> May 2024**

**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. The members are requested to intimate the Company change in their address, if any, with Pin Code number, quoting Registered Folio Number in respect of shares held in physical form and to their respective Depository participants in respect of shares held in electronic form citing reference of their Client Id and DP ID.
3. All Proxyholder should carry their identity card at the time of attending the Meeting.
4. Proxies register 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 11.00 A.M. and 1.00 P.M.
5. The Members/Proxies should fill in the Attendance Slip for attending the Meeting.
6. 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.

7. The Record date to determine entitlement of members to attend and vote at the Annual General Meeting is 6<sup>th</sup> September 2024. A person who is not a member as on the cut-off date should treat the notice for information purpose only.
  
8. 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. 4:

In pursuance of Section 148 of the Companies Act 2013, and Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors (Board) are required to appoint an Individual who is Cost Accountant in practice, or a firm of Cost Accountants in practice, as Cost Auditor on the recommendation of the Audit Committee, which is also required to recommend remuneration for such auditor. On recommendation of Audit Committee, the Board at their meeting held on 28<sup>th</sup> May 2024, has considered and approved the appointment of M/s Harshad Deshpande & Associates, (Firm Registration No. 00378), Cost Accountants, for conducting Cost Audit of all applicable products at a remuneration of Rs. 2 Lakhs (Rupees Two Lakh only) plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending 31<sup>st</sup> March 2025.

The Board of Directors recommends the proposed ordinary resolution for the approval of the members of the Company.

None of the Directors or Key Managerial Personnel or their relative(s) is / are in any way concerned or interested, in passing of the above-mentioned resolution.

**Details of Directors in pursuance to the relevant provisions of Secretarial Standards - 2:**

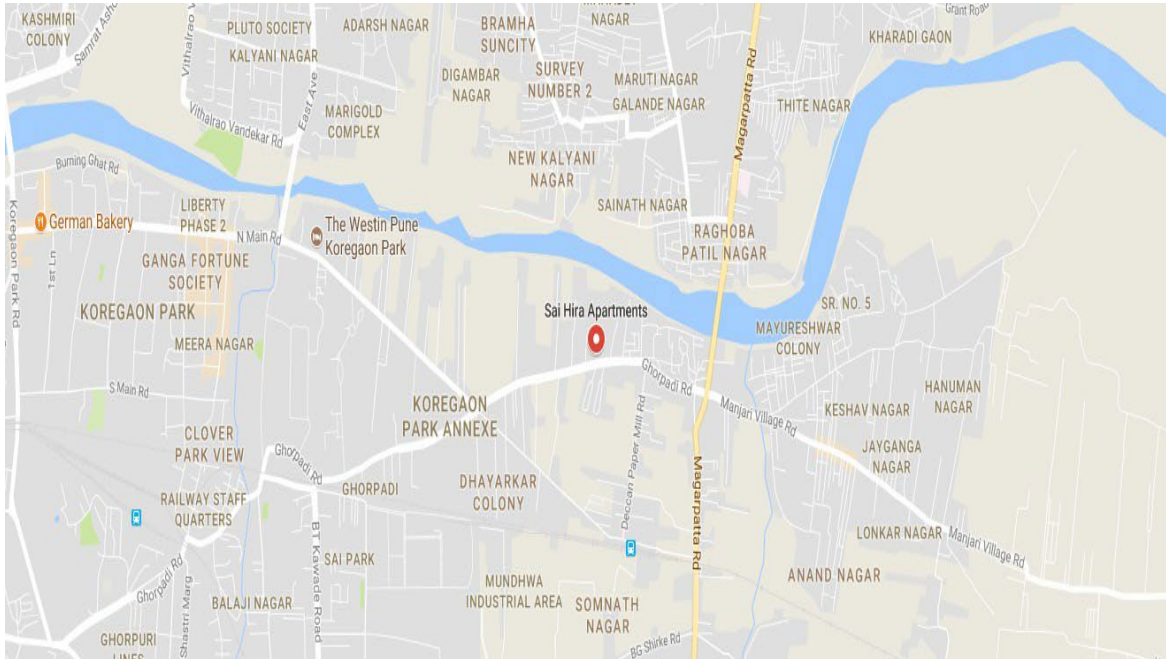
Name of the Director	Smt. Parul S. Mehta	Mr. M P Shinde
DIN	00196410	06533004
Date of Birth	17/03/1965	14/12/1954
Age	59 Years	69 Years
Qualification	B. Com.	M. Sc. (Chemistry), Diploma in Industrial Safety, Diploma in Ecology & Environment
Date of Appointment	08/08/2018	10/05/2021
Expertise	Social Service Advisor	Plant Operations
Major Directorships	<ul style="list-style-type: none"> <li>• Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL)</li> <li>• Mahadhan AgriTech Limited (MAL)</li> <li>• Deepak Mining Solutions Limited (DMSL)</li> <li>• Nova Synthetic Limited</li> <li>• Hightide Investment Private Limited</li> <li>• Robust Marketing Services Private Limited</li> <li>• World of Performing Arts Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL)</li> <li>• Mahadhan AgriTech Limited (MAL)</li> <li>• Deepak Mining Solutions Limited (DMSL)</li> </ul>
Chairman / Member of the Audit Committee of other entities	-	Member - DFPCL, MAL & DMSL
Chairman / Member of the Nomination and Remuneration Committee of other entities	-	Member - MAL & DMSL
Chairman / Member of the Corporate Social Responsibility Committee of other entities	Member - DFPCL, MAL & DMSL	Member - DFPCL, MAL & DMSL

Chairman / Member of the Committees of other entities	Member - Stakeholder's Relationship Committee and Share & Debenture Transfer Committee - DFPCL	Member - Stakeholder's Relationship Committee of DFPL & MAL. Member of Risk Committee of DFPCL Member of Manufacturing Operations Review Committee of DFPCL Member of Securities Issue Committee of MAL
Shareholding in the Company as on appointed date	1 equity share jointly with Mahadhan AgriTech Limited	-
Relationship with other directors, manager and other KMPs	Mr. Sailesh C. Mehta, Chairman, is the Spouse of Mrs. Parul S Mehta.	-
Terms and Conditions of Appointment	Appointment as Non-executive Director pursuant to the provisions of Companies Act 2013.	Appointment as Non-executive Director pursuant to the provisions of Companies Act 2013.
Remuneration	Sitting Fee and remuneration / profit-related commission as the Board may approve from time to time.	Sitting Fee and remuneration / profit-related commission as the Board may approve from time to time.
Number of Board Meetings attended during the FY 2023-24	7	8



## AGM VENUE

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



## BOARD'S REPORT

### TO THE MEMBERS,

The Board of Directors has the pleasure in presenting the Eighteenth Annual Report together with Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March 2024.

### 1. FINANCIAL RESULTS

The summarised financial results for the year are as under:

(Rs. in Crores)

Particulars	2023-24	2022-23
Income from Operations	1250.80	7.04
Other Income	9.24	8.39
Total Income	1260.04	15.43
Profit / (Loss) Before Tax	(140.50)	8.36
<i>Less-:</i>		
Tax Expenses / (Deferred Tax)	(35.37)	2.15
Net Profit After Tax	(105.13)	6.21
Amount Available for Appropriation	(105.13)	6.21
Add: Balance brought forward from previous year	44.14	37.93
<i>Less:</i> Transferred to General Reserve	-	-
Profit carried to Balance Sheet	(60.99)	44.14

### (A) AMMONIA PROJECT

During the year under review the Ammonia Project of the Company was successfully commissioned. The installed production capacity of the new plant is 1500 MT per day.

The Ammonia Production trial runs were carried out from 10<sup>th</sup> July 2023 followed by commercial production from 4<sup>th</sup> August 2023. The Company has produced 2,69,842 MT ammonia during the financial year 2023-24.

The commissioning of the Ammonia Plant which has world class energy efficient technology, will serve majority of the Deepak Fertilisers and Petrochemicals Corporation Limited Group's (the Group) captive needs, mitigating price volatility and global supply vagaries. This backward integration project will enable forex savings through import substitution. With this facility, the Group will significantly reduce its dependency on imported ammonia, which will also enhance operational efficiencies.

After meeting the majority captive demand for ammonia in the group, the Company is likely to have surplus ammonia for which open market sell opportunity exist.

The Deepak Fertilisers and Petrochemicals Corporation Limited Group (the ultimate holding company) has entered into a long-term supply agreement for Liquefied Natural Gas (LNG) to meet the requirement of raw material (Natural Gas) of the Company during the year under review.

## **(B) DRUMMING BUSINESS**

The Company continued drum filling activities during the year under review. The Company has drummed 20081 MT chemicals during financial year 2023-24 as compared to 15,480 MT drummed during financial year 2022-23. There is an increase of ~ 30% in comparison to the previous year.

## **(C) FINANCIAL PERFORMANCE**

During the year under review the Company has registered Income from Operations of

Rs. 1250.80 Crores in comparison to Rs. 7.04 Crores in the previous financial year 2022-23. Total Income during the financial year 2023-24 was Rs. 1260.04 Crores in comparison to Rs. 15.43 Crores in the previous financial year 2022-23. Loss after tax during the financial year 2023-24 was Rs. 105.13 Crores in comparison to profit after tax of Rs. 6.21 Crores in the previous financial year 2022-23, on account of following:

- (i) International ammonia prices (FOB ME) were lower during the period than the estimated price.
- (ii) Plant operations faced multiple instances of interruptions due to tripping of GT / other equipment resulting in unproductive loss of NG for start-up and shutdown.
- (iii) Plant being under stabilization, there was higher energy usage for production of ammonia as compared to design norms.

## **2. DIVIDEND**

The directors do not recommend any dividend for the year under review.

## **3. ISSUANCE OF NON-CONVERTIBLE DEBENTURES**

During the year under review, the Board at its meeting held on 16<sup>th</sup> May 2023 had, inter-alia, given its approval to offer and issue Non-convertible Debentures ("NCDs") for an amount up to Rs. 2,000 crores (collectively "Debentures") ("Issue") to eligible investors and/ or any person specifically identified by the Company.

Accordingly, pursuant to the aforesaid approval, the Company on 6<sup>th</sup> June 2023, has allotted 90,000 NCDs of Face Value of Rs. 1,00,000/- aggregating to Rs. 900 crores, for refinancing the drawn Project Debt.

The said NCDs were listed on BSE Limited on 8<sup>th</sup> June 2023.

The Company has complied with the applicable provisions of the Companies Act 2013 and Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) with respect to issuance of the NCDs.

#### 4. SHARE CAPITAL

During the year under review, the Company has not issued any equity shares of the Company.

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2024 was Rs. 19,15,090/- divided into 1,91,509 Equity Shares of Rs. 10/- each.

#### 5. BOARD OF DIRECTORS

The composition and Category of Directors as on 31<sup>st</sup> March 2024 is as under:

Sr. No.	Name of Director	Category
1.	Mr. Sailesh C. Mehta	Non - Executive Chairman
2.	Mrs. Parul S. Mehta	Non - Executive Director
3.	Mr. A. P. Shah	Non - Executive Director
4.	Mr. M. P. Shinde	Non - Executive Director
5.	Mr. U. P. Jhaveri	Independent Director
6.	Mr. Sewak Ram Wadhwa <sup>@</sup>	Independent Director
7.	Mr. R. Sriraman <sup>#</sup>	Independent Director
8.	Mr. Partha Bhattacharyya	Independent Director
9.	Mr. B. C. Tripathi <sup>\$</sup>	Additional Independent Director
10.	Mr. Sitaram Kunte <sup>*</sup>	Additional Independent Director

<sup>@</sup> Mr. S R Wadhwa ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

<sup>#</sup> Mr. R Sriraman ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

<sup>\$</sup> Mr. B. C. Tripathi was appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024

<sup>\*</sup> Mr. Sitaram Kunte was appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024

## 6. NO. OF BOARD MEETINGS HELD AND ATTENDANCE OF DIRECTORS

During the year under review, eight Board Meetings were held. These meetings were held on 16<sup>th</sup> May 2023, 20<sup>th</sup> May 2023, 25<sup>th</sup> July 2023, 2<sup>nd</sup> August 2023, 1<sup>st</sup> November 2023, 31<sup>st</sup> January 2024, 20<sup>th</sup> March 2024 and 26<sup>th</sup> March 2024.

The records of attendance of Directors are as under:

Sr. No.	Name of Director	No. of Board Meetings Attended
1.	Mr. Sailesh C. Mehta	8
2.	Mrs. Parul S. Mehta	7
3.	Mr. Ashok P. Shah	8
4.	Mr. M. P. Shinde	8
5.	Mr. U. P. Jhaveri	8
6.	Mr. S. R. Wadhwa	8
7.	Mr. R. Sriraman	8
8.	Mr. Partha Bhattacharyya	7
9.	Mr. B C Tripathi	NA
10.	Mr. Sitaram Kunte	NA

## 7. DIRECTOR RETIRING BY ROTATION

Mrs. Parul S. Mehta (DIN: 00196410) and Mr. M P Shinde (DIN: 06533004) retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment pursuant to the provisions of Section 152 of Companies Act, 2013.

## 8. DECLARATIONS FROM INDEPENDENT DIRECTORS

The 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).

**9. A STATEMENT REGARDING THE OPINION OF BOARD THE WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

As stated earlier, Mr. B C Tripathi and Mr. Sitaram Kunte have been appointed as an Independent Directors.

The Board is of the opinion that the aforesaid Independent Directors appointed on the Board of the Company are persons of high integrity and reputation, they possess the requisite expertise and experience (including the proficiency).

**10. COMMITTEES OF BOARD OF DIRECTORS**

(i) AUDIT COMMITTEE

During the year under review, the Audit Committee was re-constituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. S R Wadhwa, and is having following members:

- (a) Mr. B C Tripathi\* - Chairman
- (b) Mr. U P Jhaveri - Member
- (c) Mr. Ashok P Shah - Member

\* Mr. B C Tripathi was appointed as Chairman in place of Mr. S R Wadhwa of the Audit Committee w.e.f. 27<sup>th</sup> March 2024.

The terms of reference of the Audit Committee are in conformity with the provisions of Section 177 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the provisions of Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations.

During the year under review, eight Audit Committee Meetings were held. These meetings were held on 16<sup>th</sup> May 2023, 20<sup>th</sup> May 2023, 7<sup>th</sup> July 2023, 25<sup>th</sup> July 2023, 26<sup>th</sup> October 2023, 1<sup>st</sup> November 2023, 31<sup>st</sup> January 2024 and 26<sup>th</sup> March 2024.

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

Sr. No.	Name of Member	No. of Committee Meetings Attended
1.	Mr. S. R. Wadhwa	8
2.	Mr. U. P. Jhaveri	8
3.	Mr. Ashok P Shah	8
4	Mr. B C Tripathi	NA

(ii) NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the Nomination and Remuneration Committee was re-constituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. S R Wadhwa, and is having following members:

- (a) Mr. Partha Bhattacharyya\* - Chairman
- (b) Mr. U P Jhaveri – Member
- (c) Mr. Ashok P Shah – Member

\* Mr. Partha Bhattacharyya was appointed as Chairman in place of Mr. S R Wadhwa of the Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> March 2024.

The terms of reference of the Nomination and Remuneration Committee are in conformity with the provisions of the Companies Act, 2013 and Rules made thereunder and the provisions of Part D of the Schedule II of SEBI Listing Regulations.



During the year under review, two meetings of the Nomination and Remuneration Committee were held. These Meetings were held on 15<sup>th</sup> May 2023 and 23<sup>rd</sup> March 2024.

The records of attendance of Members of Nomination and Remuneration Committee are as under:

Sr. No.	Name of Member	No. of Committee Meetings Attended
1.	Mr. S. R. Wadhwa*	2
2.	Mr. U. P. Jhaveri	2
3.	Mr. Ashok P Shah	2
4.	Mr. Partha Bhattacharyya	NA

The terms of reference of the Nomination and Remuneration Committee broadly comprises of identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and carry out evaluation of every director's performance and formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees; formulating criteria for evaluation of Chairman, Directors, Board and Committees.

The Nomination and Remuneration Policy of the Company is in line with the provisions of Part D of the Schedule II of SEBI Listing Regulations and available on the website of the Company i.e. [www.pclindia.co.in](http://www.pclindia.co.in)

(iii) ALLOTMENT COMMITTEE

During the year under review, the Allotment Committee was re-constituted w.e.f.

27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. R Sriraman, and is having following members:

- (a) Mr. M P Shinde\* - Chairman
- (b) Mr. Ashok P Shah – Member

\* Mr. M P Shinde was appointed as Chairman in place of Mr. R Sriraman of the Allotment Committee w.e.f. 27<sup>th</sup> March 2024.

During the year under review, two meetings of the Allotment Committee were held. These meetings were held on 5<sup>th</sup> June 2023 and 6<sup>th</sup> June 2023. Both the meetings were attended by Mr. R Sriraman, Mr. M P Shinde and Mr. Ashok P Shah.

(iv) STAKEHOLDERS RELATIONSHIP COMMITTEE

Subsequent to the listing of Non-Convertible Debentures (NCDs) of the Company on BSE Limited, the Company constituted Stakeholders Relationship Committee w.e.f. 25<sup>th</sup> July 2023. Further, it was re-constituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. R Sriraman, and is having following members:

- a) Mr. Sitaram Kunte - Chairman
- b) Mr. M P Shinde – Member
- c) Mr. Ashok P Shah – Member

The terms of reference of the Stakeholders Relationship Committee are in conformity with the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the provisions of Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations.

During the year under review, one meeting of the Stakeholders Relationship Committee was held on 23<sup>rd</sup> March 2024. This meeting was attended by Mr. R. Sriraman, Mr. M P Shinde and Mr. Ashok P Shah.

(v) RISK MANAGEMENT COMMITTEE

Subsequent to the listing of Non-Convertible Debentures (NCDs) of the Company on BSE Limited, the Company constituted Risk Management Committee w.e.f. 25<sup>th</sup> July 2023 with following members:

- a) Mr. Partha Bhattacharyya - Chairman
- b) Mr. M P Shinde - Member
- c) Mr. Ashok P Shah - Member

The terms of reference of the Risk Management Committee are in conformity with the provisions of Regulation 21 of SEBI Listing Regulations.

During the year under review, one meeting of the Risk Management Committee was held on 27<sup>th</sup> March 2024. This meeting was attended by all the Members of the Committee.

## **11. PERFORMANCE EVALUATION OF BOARD, COMMITTEES, DIRECTORS AND CHAIRPERSON**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of the Chairperson, Individual Directors, Board as well as its Committees for FY 2023-24. The Board at its Meeting held on 28<sup>th</sup> May 2024 reviewed the reports on performance assessment of the Board, its Committees, individual directors and the Chairpersons and found them to be satisfactory.

The evaluation has been carried out with the help of an independent external agency employing software driven data compilation and analysis.

## 12. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 15<sup>th</sup> May 2023, *inter-alia*, to discuss following:

- (i) Assess 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.
- (ii) Review the performance of non-independent directors and the Board as a whole.
- (iii) Review the performance of the Chairperson of the Company, taking into account the views of the directors.

All the Independent Directors were present at the Meeting.

## 13. CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, there were no changes in key managerial personnel.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (5) of section 134 of the Companies Act, 2013, the 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 31<sup>st</sup> March 2024 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.

## **15. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board of Directors of the Company has approved a comprehensive CSR Policy as per the provisions of section 135 and other applicable provisions of Companies Act 2013 and Rules made thereunder. The CSR policy as also the CSR Projects as approved by the Board of Directors are available on the website of the Company at [www.pclindia.co.in](http://www.pclindia.co.in)

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

## **16. STATUTORY AUDITORS AND THEIR REPORT**

The Members of the Company at the 17<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> August 2023 has accorded their consent to re-appoint M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W), as Statutory Auditors of the Company for a second term of five years from the conclusion of 17<sup>th</sup> Annual General Meeting until the conclusion of 22<sup>nd</sup> Annual General Meeting of the Company.

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

**17. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)**

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

**18. SECRETARIAL AUDIT REPORT AND SECRETARIAL AUDITOR**

The Board of Directors had appointed M/s. Jog Limaye & Associates, Company Secretaries, as the Secretarial Auditors for conducting Secretarial Audit of the Company for the financial year 2023-24 at their meeting held on 16<sup>th</sup> May 2023, pursuant to the provisions of section 204 and other applicable provisions, if any, of Companies Act 2013 and Rules made thereunder.

The Secretarial Auditor, M/s. Jog Limaye & Associates, Company Secretaries, has issued the Secretarial Audit Report for the financial year 2023-24 pursuant to the provisions of section 204 of the Companies Act, 2013, which is annexed to this Board's Report (Annexure-II).

The Secretarial Audit Report to the members for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

The Secretarial Auditor, M/s. Jog Limaye & Associates, Company Secretaries, has also issued the Secretarial Compliance Report for the financial year 2023-24 in terms of Regulation 24A (2) of the SEBI (LODR) Regulation 2015.

The Secretarial Compliance Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

The Board of Directors has appointed M/s. Jog Limaye & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2024-25 at their meeting held on 28<sup>th</sup> May 2024.

## 19. INTERNAL AUDITOR

The Board, considering operations of the Company, at its meeting held on 26<sup>th</sup> March 2024, has appointed Ernst & Young LLP (E&Y) as an Internal Auditors of the Company for the financial year 2024-25, in place of PKF Sridhar and Santhanam LLP (PKF), in compliance with the provisions of section 138 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and Regulation 18 and other applicable provisions of SEBI (LODR) Regulations 2015.

The Company had, considering the Ammonia Project of the Company, appointed PKF Sridhar and Santhanam LLP (PKF) as they have expertise in project audits.

Ernst and Young LLP are the Internal Auditors of ultimate holding company, Deepak Fertilisers and Petrochemicals Corporation Limited and Holding Company, Mahadhan AgriTech Limited and considering it the Company appointed E&Y as Internal Auditors for the financial year 2024-25.

## 20. COST AUDITOR

Your Board of Directors have appointed M/s. Harshad Deshpande & Associates, Cost Accountants, (Firm Registration No. 00378), as the Cost Auditors of the Company for the financial year ended 31<sup>st</sup> March 2025, at their meeting held on 28<sup>th</sup> May 2024, at a remuneration of Rs. 2 Lakhs plus applicable taxes and out of pocket expenses at actual, which shall be subject to the approval of the members at the ensuing Annual General Meeting.

Further, M/s. Harshad Deshpande & Associates, Cost Accountants, will submit the cost audit report along with annexure for the financial year 2023-24 to the Central Government (Ministry of Corporate Affairs) in the prescribed form within specified time and at the same time forward a copy of such report to your Company.

The Company, pursuant to the provisions of sub-section (1) of Section 148 of the Companies Act 2013, is required to be maintained cost records and accordingly, such records are made and maintained.

## **21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company's internal control systems are commensurate with the nature, size, and complexity of the businesses and operations. These are routinely tested and certified by Statutory as well as Internal Auditor. Significant audit observations and follow-up actions are reported to the Audit Committee.

## **22. SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY**

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

## **23. 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.

## **24. ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at [www.pclindia.co.in](http://www.pclindia.co.in)



## **25. RELATED PARTY TRANSACTIONS**

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

## **26. 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 (5) (v) and (vi) of the Companies (Accounts) Rules, 2014 are reported.

## **27. 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.

## **28. 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.

## **29. 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 - III forming part of this Report.

### **30. INDUSTRIAL RELATION**

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

### **31. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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.

### **32. RISK MANAGEMENT**

Subsequent to the listing of Non-Convertible Debentures (NCDs) of the Company on BSE Limited, the Company has constituted Risk Management Committee w.e.f. 25<sup>th</sup> July 2023.

The Company has put in place an adequate and effective risk reporting system. In the opinion of the Board, there are no residual risks which would threaten the existence of the Company.

The Company has, in place, a system to identify, evaluate, mitigate and monitor risks in the Company.

### **33. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rules made thereunder, the internal committee constituted under the said act has confirmed that no complaint / case has been filed / pending with the Company during the year. The said policy has been uploaded on the internal portal of the Company for information of all employees.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **34. ACKNOWLEDGEMENT**

The 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,**

**Sailesh C. Mehta**

**Chairman**

**DIN: 00128204**

**Place: Pune**

**Date: 28<sup>th</sup> May 2024**

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL ENDED**  
**31<sup>ST</sup> MARCH 2024**

1. Brief outline on CSR Policy of the Company:

Performance Chemiserve Limited (“PCL” or “the Company”), is committed to serve the society it operates in. The Company conducts several outreach programmes around its Establishment.

While the CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013, the focus will be on the following broad themes:

- a) Women empowerment through vocational training (skill development) and livelihood Programmes
- b) Health and
- c) Education.

The underlying objective for the aforesaid themes is 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 programmes have also formed Company’s ancillary focus areas. Improving the quality and infrastructure in the educational institutions has also been the Company's priorities.

2. Composition of CSR Committee:

Pursuant to the provisions of section 135 and other applicable provisions, if any, of the Companies Act 2013 and Rules made there under, the Company is not required to constitute the CSR Committee.

3. The details of CSR Policy and CSR projects approved by the board are disclosed on the website of the Company, the web-links of the same are as provided below:

[www.pclindia.co.in](http://www.pclindia.co.in)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not applicable**

5. (a) Average net profit of the Company as per Section 135(5): **Rs. 349 Lakhs**

(b) Two percent of average net profit of the Company as per Section 135(5):  
**Rs. 6.98 Lakhs**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (5b+5c-5d): **Rs. 6.98 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 6.98 Lakhs.

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year (6a+6b+6c): Rs. 6.98 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount (Rs. in Lakhs)	Date of transfer	Name of the Fund	Amount (Rs. in Lakhs)	Date of transfer
6.98	N.A.	N.A.	N.A.	N.A.	N.A.

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	6.98
(ii)	Total amount spent for the Financial Year	6.98
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (Rs. in Lakhs)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (Rs. in Lakhs)	Amount spent in the Financial Year (Rs. in Lakhs)
(i)	(ii)	(iii)	(iv)	(v)
NIL				

<b>Amount transferred to a fund specified under Schedule VII as per second proviso to sub section (5) of section 135, if any</b>		<b>Amount remaining to be spent in succeeding financial years. (Rs. in Lakhs)</b>	<b>Deficiency, if any</b>
(vi)		(vii)	(viii)
<b>Amount (Rs. in Lakhs)</b>	<b>Date of transfer.</b>		
NIL			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

YES

NO

If yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	PIN Code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not applicable

Sailesh C Mehta  
Chairman

M. P. Shinde  
Director

28<sup>th</sup> May 2024

\* \* \* \* \*





# Jog Limaye & Associates

Practicing Company Secretaries

Annexure – II

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**PERFORMANCE CHEMISERVE LIMITED**

Sai Hira, Survey No.93, Mundhwa,

Pune-411036, Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Performance Chemiserve Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:





# Jog Limaye & Associates

## Practicing Company Secretaries

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) amended from time to time and the rules, notifications and circulars issued thereunder (as far as they become applicable);
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Byelaws Framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *Not Applicable to the Company during the audit period*
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *Not Applicable to the Company during the audit period*
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; *Not Applicable to the Company during the audit period*





# Jog Limaye & Associates

## Practicing Company Secretaries

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer agents during the audit period.*
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *Not Applicable to the Company during the audit period*
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *Not Applicable to the Company during the audit period*
- vi) The other laws, as informed and certified by the Management of the Company which may become specifically applicable to the Company based on sector/industry are:
  - a) Petroleum Act 1934 and Rules 2002
  - b) Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016; and
  - c) Explosive Act 1884

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by "The Institute of Company Secretaries of India" - The Company has generally complied with Secretarial Standards with





# Jog Limaye & Associates

## Practicing Company Secretaries

respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

- (ii) Listing Agreement entered into by the Company with BSE Limited read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 - to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder.

Notice is given to all Directors to schedule the Committee and Board Meetings, agenda and detailed notes on agenda are sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Generally, decisions at the Committee and Board Meeting are being taken with the unanimous approval of the Members and Directors. However, the views of all the dissenting Members / Directors, if any, have been captured and recorded in the minute book.





# Jog Limaye & Associates

## Practicing Company Secretaries

We further report that during the audit period

1. The Company has listed its debt securities on BSE Ltd on 08<sup>th</sup> June 2023
2. The Company has filed all the necessary forms with Registrar of Companies and has paid additional fees wherever applicable.

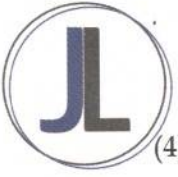
We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**We further report that**

At the Annual General Meeting of the Company held on 9<sup>th</sup> August 2023, following business were transacted:

- (1) The Shareholders passed an Ordinary Resolution to receive, consider and adopt audited financial statements of the Financial Year ended 31<sup>st</sup> March 2023, and the Board's Report and Auditor's Report thereon.
- (2) The Shareholders passed an Ordinary Resolution to appoint a Director in place of Shri Ashok P Shah (DIN: 00196506), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) The Shareholders passed a Ordinary Resolution to re-appoint M/s. B. K. Khare & Co. Chartered Accountants, Mumbai as statutory auditors of the Company who shall hold office for the second term for a period of 5 years, until the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company.





# Jog Limaye & Associates

Practicing Company Secretaries

- (4) The Shareholders passed a Special Resolution for continuation the office of Non-Executive Independent Director by Shri S. R. Wadhwa (DIN - 00228201), despite attaining the age of 75 years.
- (5) The Shareholders passed a Special Resolution for continuation the office of Non-Executive Independent Director by Shri U. P. Jhaveri (DIN - 00273898), despite attaining the age of 75 years.

We further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

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For Jog Limaye & Associates  
Company Secretaries

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Mandar Shrikrishna Jog  
Partner  
M. No. F9552  
CP No. - 9798  
UDIN: F009552F000397931  
PR- 738/2020

Place - Pune  
Date - 18/05/2024

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.



# Jog Limaye & Associates

Practicing Company Secretaries

## 'ANNEXURE A'

To,

The Members,  
Performance Chemiserve Limited  
Sai Hira, Survey No.93,  
Mundhwa, Pune 411036

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.





# Jog Limaye & Associates

## Practicing Company Secretaries

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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For Jog Limaye & Associates  
Company Secretaries

Mandar Shrikrishna Jog  
Partner  
M. No. F9552  
CP No. - 9798  
UDIN: F009552F000397931  
PR- 738/2020  
Place - Pune  
Date: 18/05/2024



**Annexure - III**

**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:**

- (i) The Ammonia Plant operations started only in Jul 2023. The plant design & engineering has taken into consideration the energy conservation features resulting in one of the most modern ammonia plant technology, with low specific energy consumption
- (ii) The Ammonia Plant uses the most energy efficient and latest purifier technology and reforming exchanger system to increase plant throughput by utilizing high grade heat at the outlet of secondary reformer.
- (iii) The carbon dioxide removal section of the ammonia plant utilises an energy-efficient and environment friendly technology.
- (iv) Post commissioning and stabilisation of the plant, losses of all forms like process gas, steam and heat are identified and attended promptly.
- (v) Efficiency of critical rotary machines, performance of cooling towers, heat exchangers are continuously monitored and necessary steps to optimise are taken.
- (vii) In the utility section of the plant, cooling tower cells fans blade angle was increased from operating level to the design level to allow more air to pass through the water and subsequently cool it.

**(b) THE STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY**

The plant relies currently on captive power generation for its power requirement. However, the Company is considering evaluating options to source renewable power through open access.

**(c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS**

Refer (a) above. Energy efficiency measures were included in the overall project cost during the plant's design phase. As the plant was largely under stabilisation during the first year of its operation, no specific capital expenditure was specifically allocated for energy conservation.

**B. TECHNOLOGY ABSORPTION**

**(a) The efforts made towards technology absorption:**

The design of the Ammonia plant technology is from a process licensor. The necessary utilities and other processes are also based on the latest technologies available from reputable technology providers.

**(b) The benefits derived like product improvement, cost reduction, product development or import substitution:**

The above efforts under A (a.) helped in reduction of specific energy consumption of the ammonia plant.

- (c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

Not applicable

- (d) **The expenditure incurred on Research and Development**

- (i) **New Product Development Synergic to Existing Products Basket**

The plant is exploring options to capture and utilise CO<sub>2</sub> which is a byproduct of the Ammonia manufacturing process.

- (ii) **New Process Development to address cost margins & de-risk RM availability:**

Nil

- (iii) **Other R&D Initiative adding value to existing process:**

Natural gas is the key feedstock for ammonia production. Continual efforts are being made to reduce specific consumption through process optimisation. Other optimisations to reduce consumption of resources like power, steam, water, etc. are also made on a regular basis.

- (d) **Benefits derived as a result of the above R & D efforts**

Based on the efforts made towards energy conservation, the specific energy consumption of the plant reduced and operating at an optimum level.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no Foreign Exchange Earnings. The total Foreign Currency Expenditure during the year under review was Rs. 1007.14 Lakhs. The details of the same is as under:

<b>Particulars</b>	<b>Amount in Lakhs</b>
Advance for Capital Assets/Capital Assets	1007.14
Consultancy and Professional Fees	-
License Fees	-
Repairs and Maintenance	-
<b>Total Foreign Exchange outgo</b>	<b>1007.14</b>

For and on behalf of the Board of Directors,

**Sailesh C. Mehta**

**Chairman**

**DIN: 00128204**

**Place: Pune**

**Date: 28<sup>th</sup> May 2024**

## CORPORATE GOVERNANCE

The Company believes in creating value for its stakeholders following the principles of fairness, equity, transparency, accountability and dissemination of information. Good Governance is an essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company's philosophy of good Corporate Governance aims at establishing a system which will assist the management to fulfill its corporate objectives as well as to serve the best interest of the stakeholders at large viz. Shareholders, Debenture Holders, Customers, Employees, Society, Suppliers, Lenders etc.

## BOARD OF DIRECTORS

The Company's Board composition resonates Board diversity and is best demonstrated in the well balanced and independent structure of the Company's Board of Directors which has a very balanced representation for enhancement of organizational capabilities. Members of the Board have been handpicked to provide an apt mix of knowledge, experience, vigilance and security for enhancement of organizational capabilities.

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board of the Company is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which they are Directors. The changes in the composition of the Board during the year and its composition as on 31<sup>st</sup> March 2024, was as follows:

Sr. No.	Name of Director	Category
1.	Mr. Sailesh C. Mehta	Non - Executive Chairman
2.	Mrs. Parul S. Mehta	Non - Executive Director
3.	Mr. A. P. Shah	Non - Executive Director
4.	Mr. M. P. Shinde	Non - Executive Director

5.	Mr. U. P. Jhaveri	Independent Director
6.	Mr. Sewak Ram Wadhwa <sup>@</sup>	Independent Director
7.	Mr. R. Sriraman <sup>#</sup>	Independent Director
8.	Mr. Partha Bhattacharyya	Independent Director
9.	Mr. B. C. Tripathi <sup>\$</sup>	Additional Independent Director
10.	Mr. Sitaram Kunte <sup>*</sup>	Additional Independent Director

<sup>@</sup> Mr. S R Wadhwa ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

<sup>#</sup> Mr. R Sriraman ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

<sup>\$</sup> Mr. B. C. Tripathi is appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024

<sup>\*</sup> Mr. Sitaram Kunte is appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024

## MEETINGS OF BOARD OF DIRECTORS

During the year under review, eight Board Meetings were held. These meetings were held on 16<sup>th</sup> May 2023, 20<sup>th</sup> May 2023, 25<sup>th</sup> July 2023, 2<sup>nd</sup> August 2023, 1<sup>st</sup> November 2023, 31<sup>st</sup> January 2024, 20<sup>th</sup> March 2024 and 26<sup>th</sup> March 2024.

The record of attendance of Directors for Board Meetings and the previous Annual General Meeting and the Directorships of Public Limited Companies and Membership/ Chairmanship of Board Committees as on 31<sup>st</sup> March 2024, are as given below:

Sr. No.	Name of Director	No. of Board Meetings attended	Attendance at the AGM	No. of Directorships in listed companies including this Company	No. of Directorships of other Companies Including Private Companies <sup>\$</sup>	No. of membership of other Board Committees%	No. of Chairmanship of other Board Committees%
1.	Mr. Sailesh C. Mehta	8 out of 8	Yes	2	8	0	0

2.	Mrs. Parul S. Mehta	7 out of 8	No	2	7	1	0
3.	Mr. A. P. Shah	8 out of 8	Yes	1	6	2	0
4.	Mr. M. P. Shinde	8 out of 8	No	2	3	5	0
5.	Mr. Partha Bhattacharyya	7 out of 8	No	5	11	6	5
6.	Mr. U. P. Jhaveri	8 out of 8	No	1	-	1	0
7.	Mr. Sewak Ram Wadhwa <sup>@</sup>	8 out of 8	No	-	-	-	-
8.	Mr. R. Sriraman <sup>#</sup>	8 out of 8	Yes	-	-	-	-
9.	Mr. B. C. Tripathi <sup>§</sup>	-	-	2	4	4	2
10.	Mr. Sitaram Kunte <sup>*</sup>	-	-	2	3	1	1

<sup>§</sup> Excludes directorships of foreign companies and dormant companies.

<sup>%</sup> Includes only Audit Committee and Stakeholders' Relationship Committee.

<sup>@</sup> Mr. S R Wadhwa ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

<sup>#</sup> Mr. R Sriraman ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

<sup>§</sup> Mr. B. C. Tripathi is appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024

<sup>\*</sup> Mr. Sitaram Kunte is appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024.

#### Notes:

As per declarations received, none of the directors serve as an independent director in more than seven listed entities. Further, other than Mr. Sailesh C. Mehta and Mrs. Parul S Mehta, who are related, none of the other directors are related to each other.

The names of listed entities where the directors of the Company hold directorships including the category of directorships as on 31<sup>st</sup> March 2024, are given below:

Sr. No.	Name of the director	Name of listed entities	Category
1	Mr. Sailesh C. Mehta	Deepak Fertilisers and Petrochemicals Corporation Limited	Chairman & Managing Director
		Performance Chemiserve Limited	Chairman & Non-Executive Director
2	Mrs. Parul S. Mehta	Deepak Fertilisers and Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
		Performance Chemiserve Limited	Non-Executive Non-Independent Director
3	Mr. M. P. Shinde	Deepak Fertilisers and Petrochemicals Corporation Limited	Non-Executive Non-Independent Director
		Performance Chemiserve Limited	Non-Executive Non-Independent Director
4	Mr. Ashok P. Shah	Performance Chemiserve Limited	Non-Executive Non-Independent Director
4	Mr. Partha Bhattacharyya#	Deepak Fertilisers and Petrochemicals Corporation Limited	Independent Director
		Tide Water Oil Co. India Limited	Independent Director
		Ramkrishna Forgings Limited	Independent Director
		Texmaco Rail & Engineering Limited	Independent Director
		Performance Chemiserve Limited	Independent Director
5	Mr. Bhuwan Chandra Tripathi	Deepak Fertilisers and Petrochemicals Corporation Limited	Independent Director
		Performance Chemiserve Limited	Independent Director
10	Mr. Sitaram Kunte	Deepak Fertilisers and Petrochemicals Corporation Limited	Independent Director
		Performance Chemiserve Limited	Independent Director

### CORE SKILL / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following is the list of core skills / expertise / competencies identified by the Board of Directors in the context of the Company's business and the said skills are available with the Board of Directors:



Audit & Risk Management, Corporate Governance, CSR & NGO matters, Finance & Taxation, Global Business Leadership, Human Resources, Law, Management & Strategy, Operations & Engineering, Regulatory & Government matters, Research & Development, Sales, International Business.

Further, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the names of directors who have such skills / expertise / competence shall be disclosed, which are as below:

However, the absence of a mark against a director's name does not necessarily mean the director does not possess the corresponding qualification and skill.

Director	Audit & Risk Management	Corporate Governance	CSR & NGO matters	Finance & Taxation	Global Business Leadership	Human Resources	Law	Management & Strategy	Operations & Engineering	Regulatory & Government matters	Research & Development	Sales	International Business
Mr. Sailesh C. Mehta	✓	✓	✓		✓	✓		✓	✓				✓
Smt. Parul S. Mehta	✓	✓	✓			✓	✓	✓				✓	
Mr. A. P. Shah	✓	✓	✓	✓			✓	✓					
Mr. M. P. Shinde	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Mr. Partha Bhattacharyya#	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. U. P. Jhaveri	✓	✓	✓	✓	✓		✓	✓	✓	✓			
Mr. Bhuwan Chandra Tripathi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sitaram Kunte		✓		✓	✓		✓	✓		✓		✓	✓

## COMMITTEES OF BOARD OF DIRECTORS

### AUDIT COMMITTEE

During the year under review, the Audit Committee was re-constituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. S R Wadhwa, and is having following members:

- (a) Mr. B C Tripathi\* - Chairman
- (b) Mr. U P Jhaveri – Member
- (c) Mr. Ashok P Shah – Member

*\* Mr. B C Tripathi is appointed as Chairman in place of Mr. S W Wadhwa of the Audit Committee w.e.f. 27<sup>th</sup> March 2024.*

The terms of reference of Audit Committee are in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Section 177 of Companies Act, 2013 which inter alia, includes to oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance and independence of statutory and internal auditors, reports of the Company's internal auditors, cost auditor and financial statements audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of related party transactions and internal control systems.

During the year under review, eight Audit Committee Meetings were held. These meetings were held on 16<sup>th</sup> May 2023, 20<sup>th</sup> May 2023, 7<sup>th</sup> July 2023, 25<sup>th</sup> July 2023, 26<sup>th</sup> October 2023, 1<sup>st</sup> November 2023, 31<sup>st</sup> January 2024 and 26<sup>th</sup> March 2024.

The composition of the Committee as on 31<sup>st</sup> March 2024, and the attendance of the members at the aforesaid meetings is as follows:

Name of Director	Category	No. of meetings held during the tenure		Whether attended last AGM
		Held	Attended	
Mr. S. R. Wadhwa	Independent Director	8	8	No
Mr. U. P. Jhaveri	Independent Director	8	8	No
Mr. Ashok P Shah	Non-Executive Non-Independent Director	8	8	Yes
Mr. B C Tripathi	Independent Director	NA	NA	NA

Besides the above, Chairman and the Chief Financial Officer (CFO) are permanent invitees to Audit Committee Meetings. The representatives of the Statutory Auditor, Internal Auditor and Cost Auditor attend such meeting of the Audit Committee, where matters concerning them are discussed.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Subsequent to the listing of Non-Convertible Debentures (NCDs) of the Company on BSE Limited, the Company constituted Stakeholders Relationship Committee w.e.f. 25<sup>th</sup> July 2023. Further, it was reconstituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. R Sriraman, and is having following members:

- a) Mr. Sitaram Kunte – Chairman\*
- b) Mr. M P Shinde – Member
- c) Mr. Ashok P Shah – Member

\* *Mr. Sitaram Kunte is appointed as Chairman in place of Mr. R Sriraman of the Stakeholders Relationship w.e.f. 27<sup>th</sup> March 2024.*

The terms of reference of the Stakeholders Relationship Committee are in conformity with the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, and the provisions of Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations.

During the year under review, one meeting of the Stakeholders Relationship Committee was held on 23<sup>rd</sup> March 2024. This meeting was attended by Mr. R. Sriraman, Mr. M P Shinde and Mr. Ashok P Shah.

Mr. Pankaj Gupta, Company Secretary is the Compliance Officer

#### DETAILS OF INVESTOR COMPLAINTS

During the year under review, no complaints were received from the debenture holders/ other investors (including through Stock Exchanges/ SEBI SCORES platform), detailed as under:

No. of Complaints pending as on 1 April, 2023	No. of Complaints received during the year	No. of Complaints resolved to the satisfaction of the security holders during the year	Complaints not resolved to the satisfaction of the security holders during the year	No. of Complaints pending as on 31 March 2024
Nil				

#### NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the Nomination and Remuneration Committee was re-constituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. S R Wadhwa, and is having following members:

- (a) Mr. Partha Bhattacharyya – Chairman\*
- (b) Mr. U P Jhaveri – Member
- (c) Mr. Ashok P Shah – Member

\* *Mr. Partha Bhattacharyya is appointed as Chairman in place of Mr. S R Wadhwa of the Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> March 2024.*

The terms of reference of the Nomination and Remuneration Committee are in conformity with the provisions of the Companies Act, 2013 and Rules made thereunder and the provisions of Part D of the Schedule II of SEBI Listing Regulations.

During the year under review, two meetings of the Nomination and Remuneration Committee were held. These Meetings were held on 15<sup>th</sup> May 2023 and 23<sup>rd</sup> March 2024.

The records of attendance of Members of Nomination and Remuneration Committee are as under:

Sr. No.	Name of Member	No. of Committee Meetings Attended
1.	Mr. S. R. Wadhwa	2
2.	Mr. U. P. Jhaveri	2
3.	Mr. Ashok P Shah	2
4.	Mr. Partha Bhattacharyya	NA

The terms of reference of the Nomination and Remuneration Committee broadly comprises of identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal, and formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees; formulating criteria for evaluation of Chairman, Directors, Board and Committees.

## PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Chairman, Individual Directors, Board as well as its Committees for FY 2023-24. The Board at its Meeting held on 28<sup>th</sup> May 2024 reviewed the reports on performance assessment of the Board, its Committees, Chairman and individual directors.

The evaluation framework for assessing the performance of Chairman, Directors, Board as well as its Committees comprises, inter alia, of the following criteria:

- (i) Directors bring an independent judgment on the Board's discussions utilising their knowledge and experience especially on issues related to strategy, operational performance and risk management.
- (ii) Directors demonstrate awareness and concerns about norms relating to Corporate Governance disclosure and legal compliances.
- (iii) Directors contribute new ideas / insights on business issues raised by Management.
- (iv) Directors anticipate and facilitate deliberations on new issues that Management and the Board should consider.
- (v) The Board / Committee meetings are conducted in a manner which facilitates open discussions and robust debate on all key items of the agenda.
- (vi) The Board receives adequate and timely information to enable discussions / decision making during Board meetings.

- (vii) The Board addresses the interests of all stakeholders of the Company.
- (viii) The Committees are delivering on the defined objectives.
- (ix) The Committees have the right composition to deliver their objectives.

Performance evaluation criteria for independent directors: Performance evaluation of independent directors in addition to the above evaluation, also considers attendance in Board and Committee meetings, time devoted for the Company, contribution in the Board processes and discussions and such other criteria as may be considered by the Nomination and Remuneration Committee from time to time.

Further, the Nomination and Remuneration Policy of the Company is in line with the provisions of Part D of the Schedule II of SEBI Listing Regulations and available on the website of the Company i.e. [www.pclindia.co.in](http://www.pclindia.co.in)

#### **RISK MANAGEMENT COMMITTEE**

The Company has a Risk Management Committee comprising of three members. The Committee is headed by Mr. Partha Bhattacharyya, Non-Executive - Independent Director.

The terms of reference of the Committee are in line with the provisions of the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also include other matters delegated to the Committee by Board of Directors of the Company from time to time.

The Company has also framed a Risk Management Policy with an intention to systematically identify, evaluate, mitigate and monitor risks in the Company and its subsidiaries / associates.

During the year under review, one meetings of the Risk Management Committee was held on 27<sup>th</sup> March 2024.

The composition of the Committee as on 31<sup>st</sup> March 2024 and the attendance of the members at the meetings held was as follows.

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Partha Bhattacharyya - Chairman	1	1
Mr. M P Shinde - Member	1	1
Mr. Ashok P Shah - Member	1	1

#### **ALLOTMENT COMMITTEE**

The Company has an Allotment Committee comprising of two members. The Committee was re-constituted w.e.f. 27<sup>th</sup> March 2024, consequent to completion of Second Term of Mr. R. Sriraman. The Committee is headed by Mr. M. P. Shinde.

The Allotment Committee specifically looks into various matters relating to the capital raising, ensuring implementation of capital raising, to decide the form / mode of capital raising and to approve the preliminary placement document, to approve, finalise and issue allotment letters and to make application or seek exemption to / from any regulatory or statutory authorities etc., and other allied matters.

During the year under review, two meetings of the Allotment Committee were held on 5<sup>th</sup> June 2023 and 6<sup>th</sup> June 2023.

The composition of the Committee as on 31<sup>st</sup> March 2024 and the attendance of the members at the meetings held was as follows.



Name of Director	No. of Meetings held during tenure	No. of Meetings attended
Mr. M. P. Shinde, Chairman	2	2
Mr. Ashok P. Shah, Member	2	2

Mr. Pankaj Gupta, Company Secretary and Compliance Officer acts as Secretary to all the Committees of the Board of Directors.

### MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 15<sup>th</sup> May 2023, *inter-alia*, to discuss following:

- (i) Assess 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.
- (ii) Review the performance of non-independent directors and the Board as a whole.
- (iii) Review the performance of the Chairperson of the Company, taking into account the views of the directors.

All the Independent Directors were present at the Meeting.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

The Directors (Independent and Non-Independent) interact with Senior Management personnel and are provided with the information sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a constituent.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letter of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information with respect to the nature of industry in which the Company operates and business model of the Company is made known through various presentations on operational performance, strategy, budgets and business forecasts, etc. to the Board of Directors.

The Company has a practice of having an Annual Strategy Meeting at Group Level, where all Directors and Senior Executives participate and work out short, medium and long term strategies after deliberations, discussion and consensus.

The above initiatives help the Directors understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfil their role as Directors of the Company.

## **PARTICULARS OF SENIOR MANAGEMENT PERSONNEL INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR**

The Senior Management of the Company as on 31<sup>st</sup> March 2024 are as under:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Mr. Ashish Kulkarni*	Chief Operating Officer (COO)
2.	Mr. Upendra Patro	Chief Financial Officer
2.	Mr. Pankaj Gupta	Company Secretary

\* Mr. Ashish Kulkarni is appointed w.e.f. 8<sup>th</sup> April 2023.

## **INFORMATION SUPPLIED TO THE BOARD**

In advance of each meeting, the Board is presented with relevant information on various matters related to the operations of the Company, status of project which warrant attention of the Directors, etc. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company.

With a view to leveraging technology and moving towards paperless system for preservation of environment, the Company has adopted a web-based application for transmitting Board / Committee meeting agenda and notes to agenda items. The Directors of the Company receive the agenda in electronic form through this secured application. The application meets the high standards of security and integrity required for storage and transmission of Board / Committee agenda in electronic form.

## **BOARD DIVERSITY**

The Board of Directors ensure that a transparent Board nomination process is in place. While selecting the Board members, the Company endeavours to include and make good use of diversity in the skills, qualification, age and professional and industry experience, irrespective of race, caste, creed, religion, disability or gender.

## **ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT**

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

## **CODE OF CONDUCT**

All Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for FY 2023-24. A declaration to this effect signed by Chairman is given in this Annual Report.

## **MAXIMUM TENURE OF INDEPENDENT DIRECTORS**

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure in one term of appointment of an Independent Director does not exceed 5 years and for two terms put together does not exceed 10 years.

## **CONFIRMATION BY THE BOARD ON FULFILLMENT OF INDEPENDENCE OF INDEPENDENT DIRECTORS**

In the opinion of the Board, all the existing Independent Directors, fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and are independent of the Management.

## **RESIGNATION OF INDEPENDENT DIRECTOR**

During the year under review, no independent director has resigned from the Company.

## **DETAILS OF REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY**

### **REMUNERATION PAID TO EXECUTIVE DIRECTOR**

During the year under review, there was no Executive Director on the Board. Hence no remuneration was paid to the Executive Director.

## REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

Details of Sitting Fees paid during the Financial Year 2023-24 to Non-Executive Directors:

### SITTING FEES

The Company pays sitting fees to Non-Executive Directors @ Rs. 25,000/- for attending a Board Meeting, Rs. 20,000/- for attending an Audit Committee Meeting and @ Rs. 15,000/- for attending a Nomination and Remuneration Committee Meeting, Risk Management Committee, Stakeholders Relationship Committee and other Committees constituted by the Board.

During the year under review, the details of sitting fees paid to the directors for attending the meetings of Board and Committees are as provided below:

Sr. No.	Name of Director	Sitting Fees (Rs.)
1.	Mr. Sailesh C. Mehta	2,30,000/-
2.	Mrs. Parul S. Mehta	1,75,000/-
3.	Mr. A. P. Shah	4,80,000/-
4.	Mr. M. P. Shinde	2,60,000/-
5.	Mr. U. P. Jhaveri	4,35,000/-
6.	Mr. Sewak Ram Wadhwa <sup>@</sup>	4,35,000/-
7.	Mr. R. Sriraman <sup>#</sup>	2,75,000/-
8.	Mr. Partha Bhattacharyya	2,05,000/-
9.	Mr. B. C. Tripathi <sup>\$</sup>	-
10.	Mr. Sitaram Kunte <sup>*</sup>	-

<sup>@</sup> Mr. S R Wadhwa ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.

- # *Mr. R Sriraman ceased to be a director w.e.f. 26<sup>th</sup> March 2024, upon completion of his second consecutive term.*
- \$ *Mr. B. C. Tripathi is appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024*
- \* *Mr. Sitaram Kunte is appointed as an Additional Independent Director w.e.f. 27<sup>th</sup> March 2024.*

The notice period for the directors is mutually agreed between the directors and the Company. No severance fees is payable to any directors. The Company has not issued any stock options to any of the directors. None of the directors is holding any convertible securities of the Company.

Details of Shares held by Non-Executive Directors as on 31<sup>st</sup> March 2024:

Sr. No.	Name of Director	Holding
1.	Mr. Sailesh C. Mehta**	1
2.	Mrs. Parul S. Mehta**	1
3.	Mr. A. P. Shah	-
4.	Mr. M. P. Shinde**	1
5.	Mr. U. P. Jhaveri	-
6.	Mr. Sewak Ram Wadhwa	-
7.	Mr. R. Sriraman**	1
8.	Mr. Partha Bhattacharyya	-
9.	Mr. B. C. Tripathi	-
10.	Mr. Sitaram Kunte	-

- \*\* Mr. Sailesh C. Mehta, Mrs. Parul S Mehta, Mr. M P Shinde and Mr. R Sriraman are holding one-one Share in the Company jointly with Mahadhan AgriTech Limited.

## ANNUAL GENERAL MEETING

Details of special resolutions passed in the last three Annual General Meetings held are provided below:

Particulars	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2022-23
Day	Wednesday	Tuesday	Wednesday
Date	25th August, 2021	2 <sup>nd</sup> August, 2022	9 <sup>th</sup> August, 2023
Time	10.00 a.m.	11.00 a.m.	11:00 a.m.
Venue	At the Registered Office - Sai Hira Survey No. 93, Mundhwa, Pune - 411036, Maharashtra	At the Registered Office - Sai Hira Survey No. 93, Mundhwa, Pune - 411036, Maharashtra	At the Registered Office - Sai Hira Survey No. 93, Mundhwa, Pune - 411036, Maharashtra
Whether any special resolutions passed	No	Yes  (i) Re-appointment of Mr. U. P. Jhaveri (DIN - 00273898) as an Independent Director.  (ii) Re-appointment of Mr. S. R. Wadhwa (DIN - 00228201) as an Independent Director  (iii) Re-appointment of Mr. R Sriraman (DIN - 00228061) as an Independent Director	Yes  (i) Continuation of term of Mr. S R Wadhwa on attaining the age of 75.  (ii) Continuation of term of Mr. U P Jhaveri on attaining the age of 75.

## **SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT**

During the year under review, no special resolutions passed through Postal Ballot.

## **SPECIAL RESOLUTION PROPOSED TO BE PASSED THROUGH POSTAL BALLOT**

None of the businesses/special resolution proposed to be transacted requires the passing of a Resolution by way of Postal Ballot.

### **DISCLOSURES:**

1. Name & Designation of Compliance Officer:

Mr. Pankaj Gupta, Company Secretary and Compliance Officer.

2. Details of Directors seeking appointment / re-appointment at the Annual General Meeting:

Details of the Directors seeking appointment / re-appointment at the Annual General Meeting have been given in the Notice convening the Eighteenth Annual General Meeting, forming part of this Annual Report.

3. Pecuniary relationship/transaction with non-executive directors:

During the year under review, there was no pecuniary relationship/transactions with any non-executive director of the Company.



4. Disclosures on material related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large:

During the year 2023-24, the Company had transactions with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions were placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Further, the same were specifically reviewed by an independent Chartered Accountant firm.

During the financial year under review, there were no material related party transactions in terms of amended Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that has a potential conflict with the interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards has been made in the notes to the Financial Statements. The Board of Directors at its meeting held on 25<sup>th</sup> July 2023, have approved a 'Policy on Materiality of Related Party Transactions' as per amended provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of the policy has been uploaded on [www.pclindia.com](http://www.pclindia.com).

5. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There have been no instances of non-compliance by the Company, since the date of listing, with the requirements of the Stock Exchange, Securities and Exchange Board

of India ('SEBI') or any other statutory/ regulatory authority, on any matter related to capital markets.

6. Disclosures of compliance with mandatory requirements and adoption / non-adoption of non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Corporate Governance.

The Company has adopted the following non-mandatory requirements of the Corporate Governance:

- The Company's statutory audit report is without any modified opinion for the Financial Year ended 31<sup>st</sup> March 2024; and
- The Internal Auditor directly reports to the Audit Committee

7. Disclosures of relationships between Directors inter-se:

Mrs. Parul S. Mehta is the wife of Mr. Sailesh C. Mehta.

Except as mentioned above, none of the other Directors have any relation inter-se.

8. Vigil Mechanism / Whistle Blower policy:

The Company has adopted Vigil Mechanism / Whistle Blower Policy (Policy) as approved by the Board of Directors. The Policy encourages whistle blowing against unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee to report violation of the applicable laws, regulations and code of conduct. The Audit

Committee and Board of Directors review periodically the complaints received by the competent authority under the Policy. The Vigil Mechanism / Whistle Blower Policy has been posted on the website of the Company i.e. [www.pclindia.com](http://www.pclindia.com).

9. Regulations for prevention of Insider trading:

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for regulating, monitoring and reporting of trading by Insider for its Directors, Officers and Designated Persons (Insider Trading Policy).

Mr. Pankaj Gupta, Company Secretary, is the Compliance Officer under the said Policy.

10. Material Subsidiaries:

There is no material subsidiary of the Company.

11. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32A of SEBI Listing regulations:

Not Applicable

12. Confirmation by the Board of Directors on acceptance of recommendation of mandatory committees:

The Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

13. Annual Secretarial Compliance Report:

SEBI vide its circular dated 8<sup>th</sup> February 2019, mandated all the listed entities to obtain annual Secretarial Compliance Report from the Company Secretary in practice on compliance with all applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report (Form MR - 3). The Company has received the aforesaid report from M/s Jog Limaye & Associates, Practicing Company Secretaries, for the Financial Year 2023-24.

A copy of the Annual Secretarial Compliance Report is given in the Annexure - I, forming part of this Report. There are no observations in the Annual Secretarial Compliance Report.

14. Certificate from Practicing Company Secretary under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Pursuant to Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has received a certificate from M/s Jog Limaye & Associates, Practicing Company Secretaries, confirming that none of the board of directors of the Company are debarred or disqualified from being appointed or continuing as director of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

A copy of the aforesaid certificate is given in the Annexure - II, forming part of this Report. The Certificate is unqualified. There are no observations in the Certificate.

15. Disclosure of total fees paid to the Statutory Auditor:

For the financial year 2023-24, Rs. 14 Lakhs was paid to M/s. B. K. Khare & Co.,

Chartered Accountants, Mumbai, Statutory Auditors of the Company. Neither the aforesaid Statutory Auditor nor the entities in the network firm in which the statutory auditor is a part, provided any services to the subsidiary companies of the Company.

16. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The necessary disclosure on the subject has been already made in the Board's Report.

17. Commodity price risk or foreign exchange risk and hedging activities:

Foreign Exchange Risk:

On the foreign exchange risk, 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 / options contracts.

Commodity Risk:

As a manufacturing company, the Company is exposed to risks due to fluctuations in the prices of its key raw material (Natural Gas) used in operations. Prices of the main raw material are linked to or derived from international markets which are volatile in nature. The Company follows Commodity Risk management policy for hedging price risk of the key raw material wherever possible. The policy establishes commodity risk management framework and defines the procedures and controls for effective management of risks that arise through the Company's manufacturing operations. The Company mitigates its Raw Material Risk Price Volatility Risk through appropriate hedging as per the policy.

18. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

None, except as disclosed in notes to the financial statements.

19. Details of material subsidiaries of the company:

Name of Material Subsidiaries	Date of Incorporation	Place of Incorporation	Statutory Auditor	Date of appointment of Statutory Auditor
Not Applicable				

#### MEANS OF COMMUNICATION

The Company publishes its financial results every quarter in leading newspapers such as Indian Express / Financial Express.

The Company has its own website, [www.pclindia.com](http://www.pclindia.com), which contains all important public domain information including press releases, presentations, if any, made to the analysts and institutional investors. The website contains information as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including details of the contact persons of the Company and of the Debenture Trustee of the Company, financial results etc.

## GENERAL SHAREHOLDER INFORMATION

1	Annual General Meeting - Day, Date, Time and / Venue	Monday 9 <sup>th</sup> September 2024 at 11.00 a.m. For details please refer to the Notice of AGM.
2	Financial year / Calendar	1 <sup>st</sup> April 2024 to 31 <sup>st</sup> March 2025
	Results for first quarter ending 30 <sup>th</sup> June, 2024	Within 45 days from the end of the quarter
	Results for second quarter ending 30 <sup>th</sup> September 2024	Within 45 days from the end of the quarter
	Results for third quarter ending 31 <sup>st</sup> December 2024	Within 45 days from the end of the quarter
	Results for financial year ending 31 <sup>st</sup> March, 2025	Within 60 days from the end of the financial year
3	Record Date	Friday, 6 <sup>th</sup> September 2024
4	Dividend Payment Date	The Board of Directors of the Company have not recommended any dividend for the FY ended 31 March 2024.
5	Registered Office and CIN	Sai Hira, Survey No.93, Mundhwa, Pune - 411 036. CIN: U24239PN2006PLC022101
6	Phone, E-mail	Phone: (020) 6645 8000 Email: <a href="mailto:investorgrievance@dfpcl.com">investorgrievance@dfpcl.com</a> Website: <a href="http://www.pclindia.co.in">www.pclindia.co.in</a>

7	Plant Location	MIDC, Industrial Area, Taloja, District: Raigad, Maharashtra,
8	Registrar & Share Transfer Agent (RTA) and Address for Investors' Correspondence	KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
9	Phone, E-mail of RTA	Toll Fee No.: 1 800 309 4001 Phone: (040) 6716 2222 Email: einward.ris@kfintech.com
10	Listing on Stock Exchanges	The Non-Convertible Debentures of the Company are listed on BSE Limited (BSE), Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001.  Annual Listing fee for financial year 2023-24 has been paid to BSE Limited.
11	Stock Code	BSE Limited (BSE): 974888
12	Demat ISIN in NSDL and CDSL	INE02UG07017

#### MARKET PRICE DATA FOR FY 2023-24:

As the Equity Shares of the Company are not listed on any Stock Exchange, the details related to stock code; market price data high, low during each month in last financial year; performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc. share transfer system; outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity; commodity price risk are not applicable to the Company.



## ISSUE OF EQUITY SHARES TO QUALIFIED INSTITUTIONAL BUYERS

During the year under review, no shares were allotted shares to Qualified Institutional Buyers.

## DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A):

Not Applicable

## CREDIT RATING

During the year under review, ICRA Limited has assigned the following ratings:

Type of Instruments	Ratings Action
Short Term	A1
Long Term - fund based term loan and cash credit	A+
Long Term - Non Convertible Debenture	AA-

## DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

Not Applicable

## DECLARATION

As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2023-24.

Place: Pune

Date: 28<sup>th</sup> May 2024

Sailesh C. Mehta  
Chairman



# Jog Limaye & Associates

## Practicing Company Secretaries

Annexure-I

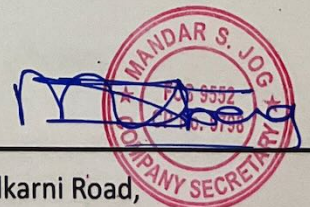
Secretarial Compliance Report of Performance Chemiserve Limited form 8<sup>th</sup> June 2023 and ended 31<sup>st</sup> March 2024 (Period)

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Performance Chemiserve Limited** (hereinafter referred as 'the listed entity'), having its Registered Office at Sai Hira, Survey No. 93, Mundhwa, Pune - 411036. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorised representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period from 8<sup>th</sup> June 2023 to 31<sup>st</sup> March 2024 ("Review Period"), complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We M/s. Jog Limaye & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by the listed *entity*.
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the Review Period ended 31<sup>st</sup> March 2024 in respect of compliance with the provisions of:





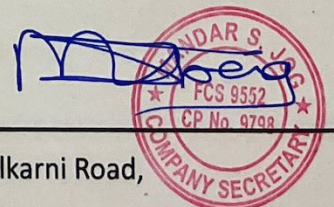
# Jog Limaye & Associates

## Practicing Company Secretaries

- (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **"not applicable to the listed entity during the review period"**.
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **"not applicable to the listed entity during the review period"**.
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **"not applicable to the listed entity during the review period"**.
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **"not applicable to the listed entity during the review period"**.
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (i) Securities and Exchange Board of India (Depositories and Participant)





# Jog Limaye & Associates

Practicing Company Secretaries

Regulations, 2018

and circulars/ guidelines issued thereunder.

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	The Company has generally complied with Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by ICSI.
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"><li>All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entities.</li><li>All the policies are in conformity with</li></ul>	Yes	-

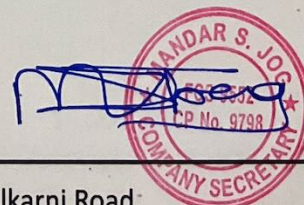




# Jog Limaye & Associates

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	SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI.		
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"><li>• The Listed entity is maintaining a functional website.</li><li>• Timely dissemination of the documents/ information under a separate section on the website.</li><li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.</li></ul>	Yes	-
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> <ul style="list-style-type: none"><li>(a) Identification of material subsidiary companies</li><li>(b) Disclosure requirement of material as well as other subsidiaries</li></ul>	Yes	-

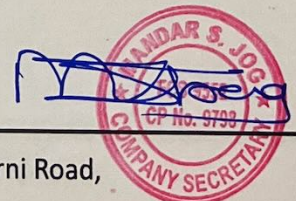




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6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	-
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	-
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR	Not applicable	Regulation 30 is not applicable to the Company.

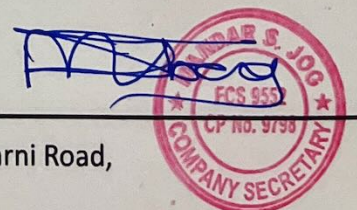




# Jog Limaye & Associates

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	Regulations, 2015 within the time limits prescribed thereunder.		
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	-
12.	<b>Additional non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	-





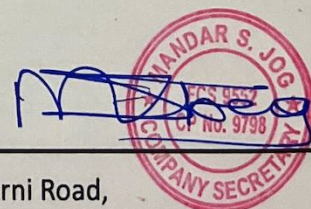


# Jog Limaye & Associates

## Practicing Company Secretaries

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor:</b>		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such</p>	Not applicable	There was no such event during the year under review.

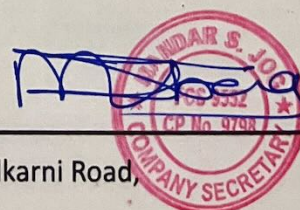




# Jog Limaye & Associates

Practicing Company Secretaries

	financial year as well as the audit report for such financial year.		
2.	<b>Other conditions relating to resignation of statutory auditor</b>		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p>	Not applicable	There was no such event during the year under review.





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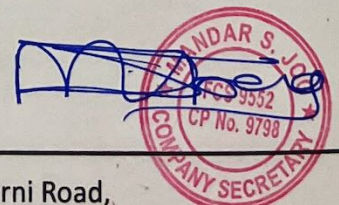
Practicing Company Secretaries

b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.

c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.

ii. Disclaimer in case of non-receipt of information:

The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by





# Jog Limaye & Associates

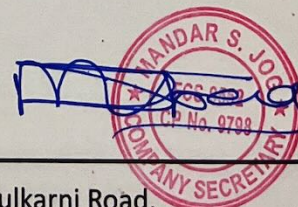
Practicing Company Secretaries

	the auditor.		
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure - A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 <sup>th</sup> October, 2019.	Not applicable	There was no such event during the year under review.

\*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'.

- (a) (\*\*) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, ~~except in respect of matters specified below:~~

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action - Advisory/ Clarification/ Fine/Show Cause Notice/ Warning, etc.	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks





# Jog Limaye & Associates

Practicing Company Secretaries

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(b) The listed entity has taken the following actions to comply with the observations made in previous reports: Not Applicable

Sr. No.	Compliance Requirements (Regulations / circulars / guide lines including specific clause)	Regulation/ Circular No.	Deviation	Action Taken by	Type of Action - Advisory / Clarification / Fine / Show Cause / Notice / Warning etc.	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks

(Note: Provide the list of all the observations in the report for the previous year along with the actions taken by the listed entity on those observations.

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.






# Jog Limaye & Associates

## Practicing Company Secretaries

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity and we have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this report.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Jog Limaye & Associates  
Company Secretaries

  
Mandar Jog  
Partner

FCS No.: 9552

C P No. : 9798

Place: Pune

Date: F009552F000445713

UDIN: PR No: 738/2020

Date: 24/05/2024



# Jog Limaye & Associates

## Practicing Company Secretaries

Annexure - II

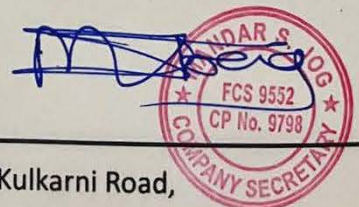
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
{Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations 2015}

To,  
The Members,  
Performance Chemiserve Limited,  
Sai Hira, Survey No. 93,  
Mundhwa,  
Pune, Maharashtra - 411036

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Performance Chemiserve Limited, CIN: U24239PN2006PLC022101 (hereinafter referred to as 'the Company') and having registered office at Sai Hira, Survey No. 93, Mundhwa, Pune-411036, produced before us by the Company on the e-mail for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our information and according to the verifications {including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary} and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Original Date of Appointment
1	Mr. Sailesh C. Mehta	00128204	30-06-2017
2	Mrs. Parul S. Mehta	00196410	08-08-2018
3	Mr. Ashok P Shah	00196506	01-03-2006
4	Mr. M. P. Shinde	06533004	10-05-2021
5	Mr. U. P. Jhaveri	00273898	30-06-2017





# Jog Limaye & Associates

## Practicing Company Secretaries

6	Mr. Partha Bhattacharyya	00329479	12-02-2020
7	Mr. B C Tripathi*	01657366	27-03-2024
8	Mr. Sitaram Kunte*	02670899	27-03-2024
9	Mr. S R Wadhwa**	00228201	27-03-2018
10	Mr. R. Sriraman**	00228061	27-03-2019

\* Mr. B. C. Tripathi and Mr. Sitaram Kunte have appointed as independent directors w.e.f. 27<sup>th</sup> March 2024.

\*\* Mr. S. R. Wadhwa and Mr. R. Sriraman have ceased to be Independent Directors upon completion of their second with effect from 26<sup>th</sup> March 2024.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jog Limaye & Associates

Company Secretaries

  
Mandar Jog  
Partner



FCS No.: 9552

C P No. : 9798

Place: Pune

Date: F009552F000445834

UDIN: PR No: 738/2020

Date: 24/05/2024





# Jog Limaye & Associates

Practicing Company Secretaries

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE  
REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015

To,  
The Members  
Performance Chemiserve Limited  
Sai Hira, Survey No. 93,  
Mundhwa,  
Pune, Maharashtra - 411036

1. The report contains details of compliance of conditions of Corporate Governance by Performance Chemiserve Limited ("the Company"), for the year ended 31<sup>st</sup> March 2024, as stipulated in Regulations 16 to 27 and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

**MANAGEMENT'S RESPONSIBILITY FOR THE DECLARATION:**

2. Compliance with the terms and conditions of the Listing Regulations relating to corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.
3. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.





# Jog Limaye & Associates

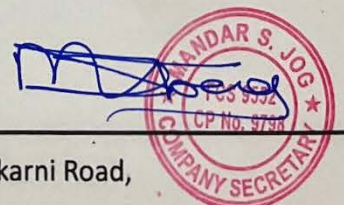
## Practicing Company Secretaries

### AUDITOR'S RESPONSIBILITY:

4. Our responsibility is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31<sup>st</sup> March 2024.

### OPINION:

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 16 to 27 and Para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March 2024.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.





# Jog Limaye & Associates


## Practicing Company Secretaries

### RESTRICTION ON USE:

8. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Jog Limaye & Associates

Company Secretaries

  
Mandar Jog  
Partner



FCS No.: 9552

CP No. : 9798

Place: Pune

Date: F009552F000445757

UDIN: PR No: 738/2020

Date: 24/05/2024

# B. K. Khare & Co. Chartered Accountants

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

## INDEPENDENT AUDITORS' REPORT

To the members of Performance Chemiserve Limited

Report on the audit of the Financial Statements

### Opinion

We have audited the accompanying Financial Statements of **Performance Chemiserve Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter

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



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

### **Information other than the Financial Statements and Auditors' Report thereon**

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

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

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

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

### **Responsibilities of Management for the Financial Statements**

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

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

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.



# B. K. Khare & Co.

## Chartered Accountants

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

We also:

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

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



# B. K. Khare & Co.

## Chartered Accountants

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 controls that we identify during our audit.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in paragraph (h)(vi) below relating to audit trail feature.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.



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

- (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 39(a) to the Financial Statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - (iv)
    - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (a) and (b) contain any material misstatement;
  - (v) The Company has not declared/paid/declared and paid any dividend during the year; and

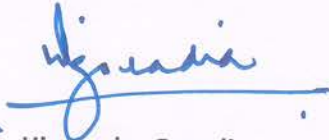




**B. K. Khare & Co.**  
Chartered Accountants

- (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled for direct changes at database level. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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



**Himanshu Goradia**

Partner

Membership No. 045668

UDIN: 24045668BKFILV4091

Place: Pune

Date: May 28, 2024



# B. K. Khare & Co.

## Chartered Accountants

### **Annexure A to the Independent Auditors' Report**

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

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

We have audited the internal financial controls with reference to financial statements of **Performance Chemiserve Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

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

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

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



# B. K. Khare & Co.

## Chartered Accountants

### Meaning of Internal Financial Controls with reference to financial statements

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

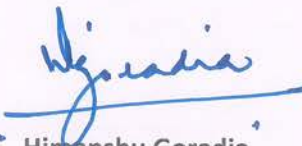
### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
Himanshu Goradia

Partner  
Membership No. 045668  
UDIN: 24045668BKFILV4091  
Place: Pune  
Date: May 28, 2024



# B. K. Khare & Co.

## Chartered Accountants

### Annexure B to the Independent Auditors' Report

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

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.  
  
(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has not physically verified property, plant and equipment during the year.  
  
(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.  
  
(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.  
  
(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) According to the information and explanations given to us, the inventory comprising of finished goods and stores and consumables has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.  
  
(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets during the year. The statements of current assets filed by the Company with banks on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.
3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.



# B. K. Khare & Co.

## Chartered Accountants

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

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

- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2024, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at March 31, 2024, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount Rs. lakhs*	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income-tax	62	Assessment Year 2018-2019	Commissioner of Income Tax (Appeals)

\*Net of amounts paid including under protest



## B. K. Khare & Co. Chartered Accountants

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.
9.
  - (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.
  - (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
  - (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.
  - (e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
10.
  - (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
11.
  - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
  - (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
  - (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.



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

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.
14. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations given to us, we report that the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has no Core Investment Companies.
17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 5,641 lakhs in the current financial year. The Company has not incurred any cash losses in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.



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

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
20. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.
- (b) According to the information and explanations given to us, there are no ongoing projects relating to corporate social responsibility. Accordingly, the reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

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



**Himanshu Goradia**

Partner

Membership No. 045668

UDIN: 24045668BKFILV4091

Place: Pune

Date: May 28, 2024





**Performance Chemiserve Limited**  
**Balance Sheet as at 31 March 2024**

(All Amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,65,087	2,342
Right of use assets	4	18,149	18,358
Capital work-in-progress	5	153	2,96,105
Intangible assets	6	189	16
<b>Financial assets</b>			
(i) Other financial assets	14	3,180	2,855
Deferred tax assets (net)	7	1,257	130
Income tax assets (net)		355	35
Other non-current assets	8	2,141	46,896
<b>Total non-current assets</b>		<b>3,90,511</b>	<b>3,66,737</b>
<b>Current assets</b>			
Inventories	9	2,115	-
<b>Financial assets</b>			
(i) Investments	10	7,225	880
(ii) Trade receivables	11	24,512	372
(iii) Cash and cash equivalents	12	1,262	5,591
(iv) Other bank balances	13	10,364	3,480
(v) Other financial assets	14	19,119	1,392
Other current assets	15	23,252	-
<b>Total current assets</b>		<b>87,849</b>	<b>11,715</b>
<b>Total assets</b>		<b>4,78,360</b>	<b>3,78,452</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	19	19
Other equity	17	1,71,928	1,73,186
<b>Total equity</b>		<b>1,71,947</b>	<b>1,73,205</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	82,253	1,93,758
(ii) Inter-corporate deposit	19	97,375	3,024
(iii) Non convertible debentures	20	89,178	-
Provisions	21	144	-
<b>Total non-current liabilities</b>		<b>2,68,950</b>	<b>1,96,782</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	22	4,125	-
(ii) Trade payables	23		
(a) total outstanding dues of micro and small enterprises		324	10
(b) total outstanding dues of creditors other than micro and small enterprises		11,830	13
(iii) Other financial liabilities	24	20,715	8,211
Provisions	21	28	-
Other current liabilities	25	441	231
<b>Total current liabilities</b>		<b>37,463</b>	<b>8,465</b>
<b>Total liabilities</b>		<b>3,06,413</b>	<b>2,05,247</b>
<b>Total equity and liabilities</b>		<b>4,78,360</b>	<b>3,78,452</b>

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

1 - 45

As per our report of even date attached

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

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

S. C. Mehta  
Chairman  
DIN:00128204

Uendra Patro  
Chief Financial Officer

Himanshu Goradia  
Partner  
Membership No. 045668

Ashok Shah  
Director  
DIN:00196506

Pankaj Gupta  
Company Secretary  
Membership No: F-9219

Place: Pune  
Date: 28 May 2024

Place: Pune  
Date: 28 May 2024



**Performance Chemiserve Limited**  
**Statement of Profit and Loss for the year ended 31 March 2024**  
 (All Amounts in ₹ Lakhs unless otherwise stated)

	Notes	31 March 2024	31 March 2023
Revenue from operations	26	1,25,080	704
Other income	27	924	839
<b>Total income</b>		<b>1,26,004</b>	<b>1,543</b>
<b>Expenses</b>			
Cost of materials consumed	28	1,09,847	-
Purchases of stock-in-trade	29	287	251
Changes in inventories of finished goods	30	(1,845)	-
Employee benefits expense	31	1,592	31
Finance costs	32	17,882	1
Depreciation and amortisation expenses	33	8,409	13
Other expenses	34	3,882	411
<b>Total expenses</b>		<b>1,40,054</b>	<b>707</b>
<b>(Loss)/Profit before tax</b>		<b>(14,050)</b>	<b>836</b>
Tax expense			
- Current tax		-	314
- Deferred tax		(3,537)	(99)
<b>Total tax expense</b>		<b>(3,537)</b>	<b>215</b>
<b>(Loss)/Profit for the year</b>		<b>(10,513)</b>	<b>621</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit obligations		(33)	-
Income tax relating to these items		8	-
<i>Items that may be reclassified to profit or loss</i>			
Cash flow hedges		9,608	-
Income tax relating to these items		(2,418)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>7,165</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(3,348)</b>	<b>621.00</b>
(Loss)/Earnings per Equity Share: Face value ₹ 10 each	42		
(i) Basic (in ₹)		(5,489.56)	339.17
(ii) Diluted (in ₹)		(5,489.56)	339.17

The accompanying notes form an integral part of the financial statements. 1 - 45

As per our report of even date attached

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

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

S. C. Mehta  
Chairman  
DIN:00128204

Upendra Patro  
Chief Financial Officer

Himanshu Goradia  
Partner  
Membership No. 045668




Ashok Shah  
Director  
DIN:00196506

Pankaj Gupta  
Company Secretary  
Membership No: F-9219

Place: Pune  
Date: 28 May 2024

Place: Pune  
Date: 28 May 2024



Performance Chemiserve Limited		
Statement of Cash Flows for the year ended 31 March 2024		
(All Amounts in ₹ Lakhs unless otherwise stated)		
	31 March 2024	31 March 2023
<b>Cash flow from operating activities</b>		
(Loss)/Profit before tax	(14,050)	836
<b>Adjustments for -</b>		
Depreciation and amortisation expense	8,409	13
Net gain on sale of investments	(115)	(577)
Fair value gain on financial assets measured at fair value through profit or loss	(128)	-
Finance costs	17,882	1
Interest income	(681)	(262)
Unrealised foreign exchange differences	-	285
<b>Cash generated from operations before working capital changes</b>	<b>11,317</b>	<b>296</b>
Change in inventories	(2,115)	-
Change in trade receivables	(24,140)	(264)
Change in trade payables	12,131	(230)
Change in other financial liabilities	80	6
Change in other provisions	139	-
Change in other financial assets	(8,376)	(129)
Change in other non-current assets	(14)	-
Change in other current assets	18,287	-
Change in other current liabilities	210	(191)
<b>Cash generated from/(used in) operations</b>	<b>7,519</b>	<b>(512)</b>
Income taxes paid	(319)	(296)
<b>Net cash from/(used in) operating activities</b>	<b>7,200</b>	<b>(808)</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment, intangible assets and capital work-in-progress	(45,034)	(1,08,915)
(Purchases)/Sale of investments (net)	(6,103)	3,286
Fixed deposits (placed)/matured (net)	(8,558)	7,785
Interest received	768	235
<b>Net cash used in investing activities</b>	<b>(58,927)</b>	<b>(97,609)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issues of shares	-	30,001
Proceeds from borrowings - non current	86,543	82,362
Repayment of borrowings - non current	(1,93,950)	-
Proceeds from inter-corporate deposit (net)	2,70,040	3,000
Repayment of inter-corporate deposit (net)	(1,84,337)	-
Proceeds from issue of non convertible debentures	88,560	-
Share issue costs	-	(2)
Interest paid	(19,458)	(16,382)
<b>Net cash from financing activities</b>	<b>47,398</b>	<b>98,979</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,329)</b>	<b>562</b>
Cash and cash equivalents at the beginning of the year	5,591	5,029
<b>Cash and cash equivalents at the end of the year</b>	<b>1,262</b>	<b>5,591</b>
<b>Cash and cash equivalents comprise of the following</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Cash and cash equivalents (Including Bank Balances)	1,262	5,591
<b>Balances per statement of cash flows</b>	<b>1,262</b>	<b>5,591</b>
The accompanying notes form an integral part of the financial statements.		
Note: The above statement of cash flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows".		
<b>As per our report of even date attached</b>	<b>For and on behalf of the Board of Directors of Performance Chemiserve Limited</b>	
For B. K. Khare & Co. Chartered Accountants Firm Registration No. 105102W	S. C. Mehta Chairman DIN:00128204	Upendra Patro Chief Financial Officer
 Himanshu Goradia Partner Membership No. 045668	 Ashok Shah Director DIN:00196506	 Pankaj Gupta Company Secretary Membership No: F-9219
		
Place: Pune Date: 28 May 2024	Place: Pune Date: 28 May 2024	

Performance Chemiserve Limited  
Statement of Changes in Equity for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

A. Equity Share Capital

	31 March 2024	31 March 2023
Balance at the beginning of the year	19	17
Changes in Equity Share Capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>19</b>	<b>17</b>
Changes in equity share capital during year	-	2
<b>Balance at the end of the year</b>	<b>19</b>	<b>19</b>

B. Other Equity

	Reserves and surplus						Total
	Securities premium	Retained earnings	General reserve	Fair value of financial guarantee	Remeasurement of defined benefit plans	Fair value through OCI	
<b>Balance as at 1 April 2022</b>	<b>1,34,359</b>	<b>3,793</b>	<b>147</b>	<b>3,609</b>	-	-	<b>1,41,908</b>
Profit for the year	-	621	-	-	-	-	621
Securities premium on share issue	29,999	-	-	-	-	-	29,999
Share issue costs	(2)	-	-	-	-	-	(2)
Fair value of financial guarantee*	-	-	-	660	-	-	660
<b>Balance as at 31 March 2023</b>	<b>1,64,356</b>	<b>4,414</b>	<b>147</b>	<b>4,269</b>	-	-	<b>1,73,186</b>
Loss for the year	-	(10,513)	-	-	-	-	(10,513)
Fair value of financial guarantee*	-	-	-	2,090	-	-	2,090
Other comprehensive income for the year	-	-	-	-	-	7,165	7,165
<b>Balance as at 31 March 2024</b>	<b>1,64,356</b>	<b>(6,099)</b>	<b>147</b>	<b>6,359</b>	-	<b>7,165</b>	<b>1,71,928</b>

Notes: \*(1) Equity component of the guarantee issued by holding company and ultimate holding company accounted for on fair value basis.  
(2) Refer Note 17 for nature and purpose of other equity.

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

As per our report of even date attached

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

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



Himanshu Goradia  
Partner  
Membership No. 045668

Place: Pune  
Date: 28 May 2024

*S. C. Mehta*

S. C. Mehta  
Chairman  
DIN:00128204

Ashok Shah  
Director  
DIN:00196506

Place: Pune  
Date: 28 May 2024

*Upendra Patro*  
Upendra Patro  
Chief Financial Officer

*Pankaj Gupta*  
Pankaj Gupta  
Company Secretary  
Membership No: F-9219



## PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

Notes to the financial Statements for the year ended 31 March 2024

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### 1. CORPORATE INFORMATION

Performance Chemiserve Limited ("the Company") is engaged in the business of drumming of chemical, IPA and is having its registered office at Sai Hira, Survey No.93, Mundhwa, Pune 411036 and carries its drumming operations at its plant located at K – 6 Block, Taloja MIDC, Navi Mumbai – 410208. The Company's new world scale Ammonia Greenfield plant commenced its commercial operation on 4 August 2023. The installed production capacity of the new plant is 1500 TPD. Accordingly, the previous year's figures to that extent are not comparable with the current year.

### 2. MATERIAL 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.

#### (a) Basis of Preparation:

##### i. Compliance with Ind AS

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

The financial statements have been prepared on accrual and going concern basis.

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.

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

An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



## PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

### Notes to the financial Statements for the year ended 31 March 2024

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#### Historical cost convention

- a) The Financial Statements have been prepared on historical cost basis, except the following:
- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
  - Assets held for sale – measured at fair value less cost to sell; Defined benefit plans – plan assets measured at fair value; and
- b) The financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded off to the nearest lakhs, except when otherwise indicated. Wherever, an amount is presented as INR '0' (zero) it construes value less than Rs 50,000.

#### (b) Significant accounting estimates, assumptions and judgements.

The preparation of the financial statements requires management to make estimates, assumptions and judgements that affect the reported balances of assets and liabilities and disclosures, and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

#### Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provision in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

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

The Management reviews the estimated useful lives and residual value of PPE at the end of each reporting period.

The 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 these assets. Consequently, the future depreciation charge could be revised and thereby could have an impact on the profit of the future years.



## PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

### Notes to the financial Statements for the year ended 31 March 2024

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Intangible assets, including Goodwill are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite life intangible assets, including goodwill, the assessment of indefinite life is reviewed annually based on the expectancy and estimation of future economic benefits arising from it to determine whether it continues. If not, it is impaired or changed prospectively based on revised estimates.

#### Litigations

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

#### Fair value measurement of financial instruments

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

#### Impairment of financial assets

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

#### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets recoverable amount. An assets recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost



**PERFORMANCE CHEMISERVE LIMITED**

CIN:- U24239PN2006PLC022101

**Notes to the financial Statements for the year ended 31 March 2024**

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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.

**(c) Revenue recognition**

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

**Sale of goods:**

The Company recognises revenue from sale of goods based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers 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 dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

**(d) 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





**PERFORMANCE CHEMISERVE LIMITED**

CIN:- U24239PN2006PLC022101

**Notes to the financial Statements for the year ended 31 March 2024**

assets is different from the useful life prescribed in Schedule II of the Companies Act, 2013. These estimated lives are based on technical assessment made by technical expert and management estimates. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

Name of assets	Estimated useful life (in years)
Computers – Servers and Networks	3 – 6
End User Devices such as desktops and laptops	3 – 6
Vehicles	4-5 years for employee's vehicles and 6-8 years for other vehicles
Buildings	Various useful life up to 60
Plant and equipment	Various useful life up to 50

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

Name of assets	Estimated useful life (in years)
Computers software	7-10

**(f) 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.

**(g) 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.



**PERFORMANCE CHEMISERVE LIMITED**

**CIN:- U24239PN2006PLC022101**

**Notes to the financial Statements for the year ended 31 March 2024**

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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 does not include foreign exchange difference regarded as an adjustment to the borrowing cost and capitalized with cost of fixed assets.

**(h) 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:

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

*Debt instruments at amortised cost*

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

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

*Debt instrument at FVOCI*

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

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



## PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

### Notes to the financial Statements for the year ended 31 March 2024

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#### *Debt instrument at FVPL*

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

#### *Equity investments-instruments*

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



**PERFORMANCE CHEMISERVE LIMITED**

**CIN:- U24239PN2006PLC022101**

**Notes to the financial Statements for the year ended 31 March 2024**

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Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

*Financial liabilities*

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

*Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

*Derecognition*

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

*Derivative financial instruments*

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

*Offsetting*

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

**(i) 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



## PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

### Notes to the financial Statements for the year ended 31 March 2024

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arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

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

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

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

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

Lease contracts entered by the Company majorly pertain for land.

#### **(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.



**PERFORMANCE CHEMISERVE LIMITED**

**CIN:- U24239PN2006PLC022101**

**Notes to the financial Statements for the year ended 31 March 2024**

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**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post-employment obligations**

The Company operates the following post-employment schemes: defined benefit plans such as gratuity, pension, post-employment medical plans; and defined contribution plans such as provident fund.

**Gratuity and retirement benefit obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity and retirement benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



**PERFORMANCE CHEMISERVE LIMITED**

**CIN:- U24239PN2006PLC022101**

**Notes to the financial Statements for the year ended 31 March 2024**

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Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost

**Provident Fund**

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees 'salary (currently 12% of employees 'salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension scheme. The Company recognises such contributions as expense of the year in which the liability is incurred.

**(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.



## PERFORMANCE CHEMISERVE LIMITED

CIN:- U24239PN2006PLC022101

### Notes to the financial Statements for the year ended 31 March 2024

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

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

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

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

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

#### (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 purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### (p) Recent Pronouncements

##### Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.





Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 3: Property, Plant and Equipment**

	Freehold Land	Buildings	Electrical Installation	Furniture and Fixtures	Office Equipment	Laboratory Equipment	Plant and Machinery	Computers	Vehicles	Total
Gross carrying amount as at 1 April 2022	2,311	-	-	-	5	-	74	1	-	2,391
Additions	-	-	-	-	-	-	27	-	-	27
Deletions	-	-	-	-	-	-	(5)	-	-	(5)
Gross carrying amount as at 31 March 2023	2,311	-	-	-	5	-	96	1	-	2,413
Gross carrying amount as at 1 April 2023	2,311	-	-	-	5	-	96	1	-	2,413
Additions	489	21,836	173	406	113	321	3,47,220	282	158	3,70,998
Deletions	-	-	-	-	-	-	-	-	-	-
Gross carrying amount as at 31 March 2024	2,800	21,836	173	406	118	321	3,47,316	283	158	3,73,411
Accumulated depreciation as at 1 April 2022	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	-	-	-	2	-	65	-	-	67
Depreciation on deletions	-	-	-	-	-	-	7	-	-	7
Accumulated depreciation as at 31 March 2023	-	-	-	-	-	-	(3)	-	-	(3)
Net carrying amount as at 31 March 2023	2,311	-	-	-	2	-	69	-	-	71
Accumulated depreciation as at 1 April 2023	-	-	-	-	2	-	69	1	-	2,342
Depreciation charge during the year	-	312	3	19	5	20	7,842	38	13	8,252
Depreciation on deletions	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2024	-	312	3	19	7	20	7,911	38	13	8,323
Net carrying amount as at 31 March 2024	2,800	21,524	170	387	111	301	3,39,404	245	145	3,65,087

**Note 4: Right of Use Assets**

Particulars	Leasehold land	Total
Balance as at 1 April 2022	18,756	18,756
Additions	-	-
Deletions	-	-
Amortisation*	(398)	(398)
Balance as at 31 March 2023	18,358	18,358
Balance as at 1 April 2023	18,358	18,358
Additions	-	-
Deletions	-	-
Amortisation*	(209)	(209)
Balance as at 31 March 2024	18,149	18,149

Note\*: Amortisation expense on right of use assets of ₹ 70 Lakhs (31 March 2023: ₹ 398 Lakhs) was included under Capital work-in-progress and subsequently capitalised.

**Expenses on short term leases / low value assets**

	March 31, 2024	March 31, 2023
Short term leases	247	-

Company as Lessor:  
Not applicable



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 5: Capital Work-in-Progress**

	31 March 2024	31 March 2023
Projects*	-	2,96,092
Others (Mainly consists of spares)	153	13
<b>Total carrying amount</b>	<b>153</b>	<b>2,96,105</b>

\*Includes borrowing cost of - Nil (31 March 2023: ₹ 61,459 Lakhs).

**(a) Ageing schedule of capital-work-in progress:**

CWIP	As on 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<u>Projects in progress</u>					
Others	11	10	4	128	153
<u>Projects temporarily suspended</u>	-	-	-	-	-
<b>Total</b>	<b>11</b>	<b>10</b>	<b>4</b>	<b>128</b>	<b>153</b>

CWIP	As on 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<u>Projects in progress</u>					
Ammonia project	1,01,921	72,132	21,251	1,00,788	2,96,092
Others	13	-	-	-	13
<u>Projects temporarily suspended</u>	-	-	-	-	-
<b>Total</b>	<b>1,01,934</b>	<b>72,132</b>	<b>21,251</b>	<b>1,00,788</b>	<b>2,96,105</b>

**(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:**

CWIP	As on 31 March 2024 to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Others	-	-	-	-	-
Ammonia project	-	-	-	-	-

CWIP	As on 31 March 2023 to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Others	13	-	-	-	13
Ammonia project	2,96,092	-	-	-	2,96,092

**Note 6: Intangible Assets**

	Computer Software	Total
Gross carrying amount as at 1 April 2022	45	45
Additions	-	-
Deletions	(6)	(6)
Gross carrying amount as at 31 March 2023	39	39
Accumulated depreciation as at 1 April 2022	17	17
Amortisation charge for the year	6	6
Accumulated depreciation as at 31 March 2023	23	23
Net carrying amount as at 31 March 2023	16	16
Gross carrying amount as at 1 April 2023	39	39
Additions	191	191
Deletions	-	-
Gross carrying amount as at 31 March 2024	230	230
Accumulated depreciation as at 1 April 2023	23	23
Amortisation charge for the year	18	18
Accumulated depreciation as at 31 March 2024	41	41
Net carrying amount as at 31 March 2024	189	189
Net carrying amount as at 31 March 2023	16	16



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 7: Deferred Tax Assets (Net)

Movement during the year ended 31 March 2024:

	1 April 2023	Credit/(Charge) in the Statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	31 March 2024
Property, plant and equipment	(2)	(11,478)	-	(11,480)
Financial assets at Fair Value through Profit or Loss/ FVOCI	132	6	(2,418)	(2,280)
Business losses	-	15,009	-	15,009
Others	-	-	8	8
<b>Net deferred tax assets/(liabilities)</b>	<b>130</b>	<b>3,537</b>	<b>(2,410)</b>	<b>1,257</b>

Movement during the year ended 31 March 2023:

	1 April 2022	Credit/(Charge) in the Statement of Profit and Loss	Credit/(Charge) in Other Comprehensive Income	31 March 2023
Property, plant and equipment	(3)	1	-	(2)
Others	34	98	-	132
<b>Net deferred tax assets/(liabilities)</b>	<b>31</b>	<b>99</b>	<b>-</b>	<b>130</b>



**Performance Chemiserve Limited**

**Notes to the financial statements for the year ended 31 March 2024**

(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 8: Other Non-Current Assets**

	31 March 2024	31 March 2023
Capital advances	1,874	5,104
Balances with government authorities	-	41,539
Prepaid expenses	267	253
<b>Total</b>	<b>2,141</b>	<b>46,896</b>

**Note 9: Inventories**

	31 March 2024	31 March 2023
Finished goods	1,845	-
Stores and consumables	270	-
<b>Total</b>	<b>2,115</b>	<b>-</b>

**Note 10: Current Investments**

	31 March 2024	31 March 2023
<b>Quoted</b>		
Investment in mutual funds (carried at fair value through profit and loss)	7,225	880
<b>Total</b>	<b>7,225</b>	<b>880</b>
Aggregate carrying value of quoted investments	7,225	880



**Note 11: Trade Receivables**

	31 March 2024	31 March 2023
Considered good - Secured	-	-
Considered good - Unsecured	-	-
Receivables which have significant increase in credit risk	24,512	372
Credit Impaired	-	-
<b>Total</b>	<b>24,512</b>	<b>372</b>

**Trade Receivables ageing schedule**

Particulars	Outstanding for following periods from due date of payment as on 31st March 2024						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	23,832	34	344	302	-	-	24,512
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>23,832</b>	<b>34</b>	<b>344</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>24,512</b>

Particulars	Outstanding for following periods from due date of payment as on 31st March 2023						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	372	-	-	-	-	372
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372</b>



**Performance Chemiserve Limited****Notes to the financial statements for the year ended 31 March 2024**

(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 12: Cash and Cash Equivalents**

	31 March 2024	31 March 2023
Balances with banks		
- in current accounts	1,262	5,435
- in deposits with original maturity up to three months	-	156
<b>Total</b>	<b>1,262</b>	<b>5,591</b>

**Note 13: Other Bank Balances**

	31 March 2024	31 March 2023
Deposits with banks with maturity more than three months and up to twelve months	10,364	3,480
<b>Total</b>	<b>10,364</b>	<b>3,480</b>

**Note 14: Other Financial Assets**

	31 March 2024		31 March 2023	
	Current	Non-Current	Current	Non-Current
<b>(i) Derivatives</b>				
Foreign currency forward contracts	9,600	-	-	-
<b>(ii) Others</b>				
Interest receivable	-	-	87	-
Ammonia incentive receivable	8,898	-	-	-
Deposits with banks with maturity more than twelve months	-	1,729	-	56
Security deposit	1	344	859	-
Financial guarantee asset	620	1,107	446	2,799
<b>Total</b>	<b>19,119</b>	<b>3,180</b>	<b>1,392</b>	<b>2,855</b>

**Note 15: Other Current Assets**

	31 March 2024	31 March 2023
Advances to suppliers	94	-
Advance to employees	1	-
Balances with government authorities	23,157	-
<b>Total</b>	<b>23,252</b>	<b>-</b>



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 16: Share Capital**

	31 March 2024	31 March 2023
<b>Authorised</b>		
5,00,000 equity shares of ₹ 10 each	50	50
(31 March 2023: 5,00,000 equity shares of ₹ 10 each)	50	50
<b>Issued, subscribed and fully paid-up share capital</b>		
96,686 equity shares of ₹ 10 each	10	10
Increase during the year - Issued (FY- 2021-2022, 66,565 Equity Shares of ₹ 10 each)	7	7
Increase during the year - Issued (FY- 2022-2023, 28,258 Equity Shares of ₹ 10 each)	2	2
191,509 equity shares of ₹ 10 each (31 March 2023: 191,509 equity shares of ₹ 10 each)	19	19

**(i) Reconciliation of the number of Equity Shares**

	31 March 2024		31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	1,91,509	19	1,63,251	17
Add: Issued during the year	-	-	28,258	2
<b>Balance as at the end of the year</b>	<b>1,91,509</b>	<b>19</b>	<b>1,91,509</b>	<b>19</b>

**Terms and rights attached to equity shares**

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

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

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

	31 March 2024		31 March 2023	
	Number of shares	% Holding	Number of shares	% Holding
Mahadhan AgriTech Limited	1,91,509	100.00%	1,80,784	94.40%
Robust Marketing Services Private Limited	-	-	10,725	5.60%

**(ii) Disclosure of Shareholding of Promoters**

Shares held by promoters at the end of the year - 31 March 2024			
Promoter Name	Number of Shares	% of Total Shares	% of Change during the year
<b>Class of Shares : Equity Shares of ₹ 10 each</b>			
(1) Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)	1,91,509	100.00%	5.60%

Shares held by promoters at the end of the year - 31 March 2023			
Promoter Name	Number of Shares	% of Total Shares	% of Change during the year
<b>Class of Shares : Equity Shares of ₹ 10 each</b>			
(1) Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited)	1,80,784	94.40%	0.97%
(2) Robust Marketing Services Private Limited	10,725	5.60%	-0.97%



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 17: Other Equity**

	31 March 2024	31 March 2023
Securities premium	1,64,356	1,64,356
General reserve	147	147
Fair value of financial guarantee	6,359	4,269
Retained earnings	(6,099)	4,414
Other comprehensive income	7,165	-
<b>Total other equity</b>	<b>1,71,928</b>	<b>1,73,186</b>

**Nature and purpose of other equity**

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

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

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

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

(e) **Other Comprehensive Income (OCI):** This represents equity instruments carried at fair value through OCI, foreign currency exchange differences, hedge income and remeasurement of employee benefits (Gratuity and Post retirement benefits).





Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 18: Non-Current Borrowings**

	Maturity date	Terms of repayment	Interest rate	31 March 2024	31 March 2023
<b>Term loans</b>					
<b>Secured - at amortised cost</b>					
Bank of Baroda	30 September 2038	Repaid	10.90% and 10.40% per annum	-	1,46,022
Canara Bank	24 September 2032	Repayable in 32 quarterly installments starting from March 2024	9.05% per annum	46,627	-
State Bank of India	30 September 2032	Repayable in 32 quarterly installments starting from March 2024	8.39% per annum	39,751	-
Exim Bank	30 September 2038	Repaid	10.40% per annum	-	47,736
<b>Total</b>					
<b>Less: Current maturities of long-term debt (Refer Note 22)</b>				86,378	1,93,758
<b>Non-current borrowings</b>				4,125	-
				82,253	1,93,758

The term loans from Canara Bank and State Bank of India have been availed for Ammonia Project at Talaja. The said term loans are secured by first charge by way of hypothecation in favour of all lenders of movable assets, immovable properties, and all the intangible assets in relation to the project, both present and future and second charge on current assets of the project.

**Note 19: Inter Corporate Deposit**

	31 March 2024	31 March 2023
Inter Corporate Deposit from Mahadhan AgriTech Limited (Formerly Smartchem Technologies Limited), the Holding Company* (@ 9.50% to 9.65% p.a.)	97,375	3,024
<b>Total</b>	<b>97,375</b>	<b>3,024</b>

\* Including accrued interest of ₹ 8,673 Lakhs (31 March 2023: ₹ 24 Lakhs).

<b>Note 20: Non-convertible Debentures</b>	31 March 2024	31 March 2023
<b>Secured and Quoted</b>		
Non-convertible Debentures (@ 9.75% p.a.)	89,178	-
<b>Total</b>	<b>89,178</b>	<b>-</b>

Description of NCDs	Number of NCDs	Rs. in Lakhs	Redemption
Listed Rated Secured Redeemable Non-Convertible Debentures (Face Value ₹ 1 Lakh each)	90,000	90,000	Bullet payment due on 6 June 2026 i.e. at the end of 36 months from the Deemed Date of Allotment



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 21: Provisions

	31 March 2024		31 March 2023	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Gratuity	12	103	-	-
Compensated absences	5	26	-	-
Defined pension benefits	11	15	-	-
<b>Total</b>	<b>28</b>	<b>144</b>	<b>-</b>	<b>-</b>

(A) Defined Contribution Plans

The Company has defined contribution plans such as provident fund, employee state insurance, employee pension scheme and employee superannuation fund wherein specified percentage is contributed to them. During the year, the Company has contributed following amounts to:

Particulars	31 March 2024	31 March 2023
Employer's contribution to provident fund	40	-
Employer's contribution to employees' pension scheme	17	-
Employer's contribution to superannuation fund	28	-
<b>Total</b>	<b>85</b>	<b>-</b>

(B) Defined Benefit Plans

(i) Gratuity

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity. The discount rate assumed is 7.20% p.a. (31 March 2023: Not Applicable) which is determined by reference to market yield of Government bonds at the Balance Sheet date. The retirement age has been considered at 60 years (31 March 2023: Not Applicable) and mortality table is as per IALM (2012-14) (31 March 2023: Not Applicable).

The estimates of future salary increases considered in actuarial valuation is 8% p.a. (31 March 2023: Not Applicable), taking into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2024	31 March 2023
Present value of obligation at the beginning of the year	-	-
Current service cost	-	-
Transfer In/(Out)	82	-
Interest cost	6	-
Actuarial loss/(gain)	33	-
Benefits paid	(6)	-
<b>Present value of obligation at the end of the year</b>	<b>115</b>	<b>-</b>

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:

Particulars	31 March 2024	31 March 2023
Present value of obligation at the end of the year	115	-
Fair value of plan assets at the end of the year	-	-
<b>Net (asset)/liabilities recognised in the Balance Sheet</b>	<b>115</b>	<b>-</b>

Fair value of plan assets:

Particulars	31 March 2024	31 March 2023
Plan assets at the beginning of the year	-	-
Interest Income	-	-
Expected return on plan assets	-	-
Contribution by employer	-	-
Actual benefits paid	-	-
Actuarial gain/(loss)	-	-
<b>Plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2024	31 March 2023
Current service cost	-	-
Interest cost	6	-
Transfer In/(Out)	82	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>88</b>	<b>-</b>



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

Amount recognised in other comprehensive income:

Particulars	31 March 2024	31 March 2023
Remeasurements Cost/(Credit )	-	-
Actuarial (gain)/loss	33	-
Amount recognised in the Other Comprehensive Income	33	-

Sensitivity analysis :

Particulars	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Assumptions				
Sensitivity level	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	(7.24)	8.15	-	-

Particulars	31 March 2024		31 March 2023	
	Salary increment rate		Salary increment rate	
Assumptions				
Sensitivity level	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	6.87	(6.24)	-	-

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumptions while holding all other assumptions constant.

(ii) Defined pension benefits

The Company has a Post Retirement Benefit plan, which is a defined benefit retirement plan, according to which executives superannuating from the service after ten years of service are eligible for certain benefits like medical, fuel expenses, telephone reimbursement, club membership, etc. for specified number of years. The liability is provided for on the basis of an independent actuarial valuation.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of post retirement benefits. The discount rate assumed is 7.20% p.a. which is determined by reference to market yield of Government bonds at the Balance Sheet date. The retirement age has been considered at 60 years and mortality table is as per IALM (2012-14) (31 March 2013: Not Applicable).

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	31 March 2024	31 March 2023
Present value of obligation at the beginning of the year	-	-
Current service cost	26	-
Past service cost	-	-
Interest cost	-	-
Actuarial (gain)/loss	-	-
Benefits paid	-	-
Present value of obligation at the end of the year	26	-

Expense recognised in the Statement of Profit and Loss under employee benefits expense:

Particulars	31 March 2024	31 March 2023
Current service cost	26	-
Past service cost	-	-
Interest cost	-	-
Expense recognised in the Statement of Profit and Loss	26	-

Amount recognised in the other comprehensive income:

Particulars	31 March 2024	31 March 2023
Remeasurements Cost / (Credit )	-	-
Actuarial (gain)/loss on plan assets	-	-
Amount recognised in the Other Comprehensive Income	-	-

Sensitivity analysis :

Particulars	31 March 2024		31 March 2023	
	Discount rate		Discount rate	
Assumptions				
Sensitivity level	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	7.28	10.78	-	-

Particulars	31 March 2024		31 March 2023	
	Salary increment rate		Salary increment rate	
Assumptions				
Sensitivity level	1.00% increase	1.00% (decrease)	1.00% increase	1.00% (decrease)
Impact on defined benefit (decrease)/increase	4.70	3.41	-	-



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 22: Current borrowings**

	31 March 2024	31 March 2023
Secured		
Current maturities of non-current borrowings	4,125	-
<b>Total current borrowings</b>	<b>4,125</b>	<b>-</b>

**Note 23: Trade Payables**

	31 March 2024	31 March 2023
Trade Payables		
(a) Dues to micro and small enterprises	324	10
(b) Dues to others	11,830	13
<b>Total</b>	<b>12,154</b>	<b>23</b>

**Dues to Micro and Small Enterprises - Disclosures under Micro, Small and Medium Enterprises Development Act, 2006**

	31 March 2024	31 March 2023
Principal amount due at the year end	324	10
Interest provided but not paid at the year end on above	-	-
Interest due on principal amount already paid	-	-
Delayed principal amount paid during the year	-	-
Interest paid on delayed principal payment	-	-

**Trade Payables aging schedule**

Particulars	As on 31 March 2024 - Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	60	256	2	6	-	264
(ii) Others	-	10,946	-	-	-	10,946
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	884	-	-	-	-	-
<b>Total</b>	<b>944</b>	<b>11,202</b>	<b>2</b>	<b>6</b>	<b>-</b>	<b>11,210</b>

Particulars	As on 31 March 2023 - Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	4	6	-	-	10
(ii) Others	-	10	-	3	-	13
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>14</b>	<b>6</b>	<b>3</b>	<b>-</b>	<b>23</b>

**Note 24: Other Financial Liabilities**

	31 March 2024	31 March 2023
Interest accrued	712	-
Security deposits	13	19
Capital creditors	19,831	8,119
Employee benefits payable	159	73
<b>Total</b>	<b>20,715</b>	<b>8,211</b>

**Note 25: Other Current Liabilities**

	31 March 2024	31 March 2023
Statutory dues payable	413	228
Advance from customers	27	-
Other payables	1	3
<b>Total</b>	<b>441</b>	<b>231</b>



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 26: Revenue from Operations**

	31 March 2024	31 March 2023
Sale of products		
- Finished goods	1,15,317	-
- Traded goods	293	256
Income from operations - Drumming services	565	448
Other Operating Revenue		
- Incentive income*	8,898	-
Income from scrap sale	7	-
<b>Total</b>	<b>1,25,080</b>	<b>704</b>

\*Under incentive to industries scheme - Package Scheme of Incentives (PSI)-2013 of State of Maharashtra.

**Note 27: Other Income**

	31 March 2024	31 March 2023
Interest income	681	262
Fair value gain on financial assets measured at fair value through profit or loss	128	-
Net gain on sale of investments	115	577
<b>Total</b>	<b>924</b>	<b>839</b>



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 28: Cost of Materials Consumed**

	31 March 2024	31 March 2023
Raw materials at the beginning of the year	-	-
Add: Purchases	1,09,847	-
Less: Raw materials at the end of the year	-	-
<b>Total cost of materials consumed</b>	<b>1,09,847</b>	<b>-</b>

**Note 29: Purchases of Stock-in-Trade**

	31 March 2024	31 March 2023
Purchases of stock-in-trade	287	251
<b>Total</b>	<b>287</b>	<b>251</b>

**Note 30: Changes in inventories of finished goods**

	31 March 2024	31 March 2023
<b>Opening balance</b>		
Finished goods	-	-
Traded goods	-	-
<b>Total opening balance</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>		
Finished goods	1,845	-
<b>Total closing balance</b>	<b>1,845</b>	<b>-</b>
<b>Total changes in inventories of work-in-progress, stock-in-trade and finished goods</b>	<b>(1,845)</b>	<b>-</b>

**Note 31: Employee Benefits Expense**

	31 March 2024	31 March 2023
Salaries, wages and bonus	1,297	31
Contribution to provident fund and other funds (Refer Note 21)	85	-
Gratuity (Refer Note 21)	88	-
Compensated absences	37	-
Post-employment pension benefits (Refer Note 21)	26	-
Staff welfare expenses	59	-
<b>Total</b>	<b>1,592</b>	<b>31</b>

**Note 32: Finance Costs**

	31 March 2024	31 March 2023
Interest and finance charges on financial liabilities not at fair value through profit or loss	29,057	16,405
Other borrowing costs	407	-
Interest - others	1	1
	29,465	16,406
Less: Amount capitalised	11,583	16,405
<b>Finance costs expensed in Statement of Profit and Loss</b>	<b>17,882</b>	<b>1</b>

**Note 33: Depreciation and Amortisation Expense**

	31 March 2024	31 March 2023
Depreciation on property, plant and equipment	8,252	7
Amortisation of right of use assets*	139	-
Amortisation on intangible assets	18	6
<b>Total</b>	<b>8,409</b>	<b>13</b>

Note\*: Amortisation expense on right of use assets of ₹ 70 Lakhs (31 March 2023: ₹ 398 Lakhs) was included under Capital work-in-progress and subsequently capitalised.



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 34: Other Expenses**

	31 March 2024	31 March 2023
Power, fuel and water	1,318	5
Stores, spares, oils, chemicals and catalysts consumed	528	-
Material handling charges	24	17
Repairs to:		
- Plant and machinery	709	-
- Others	64	13
Insurance	404	-
Rent	247	-
Rates, taxes and duties	47	3
Directors' fees	25	17
Carriage outward (net)	4	-
Foreign exchange fluctuations (net)	170	333
Legal and professional fees	153	12
Travelling and conveyance	7	-
Utility services	115	-
Communication expenses	4	-
Expenditure towards corporate social responsibility [Refer Note 34(a) below]	7	4
Payments to auditors [Refer Note 34(b) below]	18	7
Miscellaneous expenses	38	-
<b>Total</b>	<b>3,882</b>	<b>411</b>

**Note 34(a): Expenditure towards corporate social responsibility**

	31 March 2024	31 March 2023
Ishanya Foundation	7	4
<b>Total</b>	<b>7</b>	<b>4</b>
Amount required to be spent as per Section 135 of the Act	7	4
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	7	4
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall	Not Applicable	Not Applicable
(vi) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Ishanya Foundation	Ishanya Foundation
(vii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

**Note 34(b): Details of payments to auditors**

	31 March 2024	31 March 2023
<b>As auditor:</b>		
Audit fees	8	4
Tax audit fees	2	1
Limited review fees	7	2
<b>In other capacities</b>		
Taxation matters	-	-
Certification fees	-	-
Re-imburement of expenses	1	-
<b>Total</b>	<b>18</b>	<b>7</b>



**Performance Chemiserve Limited**  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 35: Fair Value Measurements**  
**Financial Instruments by Category**

	31 March 2024		31 March 2023	
	FVTPL	FVTOCI	FVTPL	FVTOCI
<b>Financial assets</b>		Amortised cost		Amortised cost
Investments				
- Mutual funds	7,225	-	880	-
Trade receivables	-	24,512	-	372
Cash and cash equivalents	-	1,262	-	5,591
Other bank balances	-	10,364	-	3,480
Interest receivable	-	-	-	87
Foreign exchange forward contracts/options	-	9,600	-	-
Security deposits	-	345	-	859
Other financial assets	-	12,354	-	3,301
<b>Total financial assets</b>	<b>7,225</b>	<b>48,837</b>	<b>880</b>	<b>13,690</b>
<b>Financial liabilities</b>				
Borrowings				
Inter-corporate deposit	-	86,378	-	1,93,758
Non convertible debentures	-	97,375	-	3,024
Trade payables	-	89,178	-	-
Other financial liabilities	-	12,154	-	23
- Capital creditors	-	19,831	-	8,119
- Interest accrued	-	712	-	-
- Security deposits	-	13	-	19
- Employee benefits payable	-	159	-	73
- Foreign exchange forward contracts/options	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>3,05,800</b>	<b>-</b>	<b>2,05,016</b>

**(i) Fair Value Hierarchy**

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

- Level 1 - Quoted market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

	31 March 2024			31 March 2023				
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial Investments at FVPL/FVTOCI</b>								
Mutual funds - Growth plan/Liquid fund	7,225	-	-	7,225	880	-	-	880
Derivatives not designated as hedges	-	-	-	-	-	-	-	-
Foreign exchange forward contracts/options	-	9,600	-	9,600	-	-	-	-
<b>Total financial assets</b>	<b>7,225</b>	<b>9,600</b>	<b>-</b>	<b>16,825</b>	<b>880</b>	<b>-</b>	<b>-</b>	<b>880</b>
<b>Financial liabilities</b>								
Foreign exchange forward contracts/options	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(ii) Valuation process to determine fair value**

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

- (a) 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.
- (b) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The fair value of derivative financial instruments is based on observable market inputs including currency spot and forward rate, yield curves, currency volatility, interest rate curves and use of appropriate valuation models.





**Performance Chemiserve Limited**  
**Notes to the financial statements for the year ended 31 March 2024**  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 36: Financial Risk Management**

**Risk Management Framework**

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

The Company, through three layers of defence namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee of the Board with top management oversee the formulation and implementation of the risk management policies. The risks 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 2024 is - Nil (31 March 2023: 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 made on these financial assets.



**Performance Chemiserve Limited**  
**Notes to the financial statements for the year ended 31 March 2024**  
(All Amounts in ₹ Lakhs unless otherwise stated)

**(ii) Liquidity risk**

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

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

**Exposure to liquidity risk**

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

31 March 2024	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives financial liabilities</b>					
Borrowings	86,378	4,125	46,782	35,471	86,378
Inter-corporate deposit	97,375	-	-	97,375	97,375
Non convertible debentures	89,178	-	89,178	-	89,178
Obligations under finance lease	-	-	-	-	-
Trade payables	12,154	12,146	8	-	12,154
Interest accrued	712	712	-	-	712
Security deposits	13	13	-	-	13
Other financial liabilities	15,598	15,598	-	-	15,598
<b>Total non-derivative liabilities</b>	<b>3,01,408</b>	<b>32,594</b>	<b>1,35,968</b>	<b>1,32,846</b>	<b>3,01,408</b>
<b>Derivatives financial liabilities</b>					
Foreign exchange forward contracts	-	-	-	-	-
Other financial liabilities	4,392	4,392	-	-	4,392
<b>Total derivative liabilities</b>	<b>4,392</b>	<b>4,392</b>	<b>-</b>	<b>-</b>	<b>4,392</b>

31 March 2023	Carrying Amount	Payable within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	1,93,758	-	22,279	1,71,479	1,93,758
Inter-corporate deposit	3,024	-	-	3,024	3,024
Trade payables	23	23	-	-	23
Interest accrued	-	-	-	-	-
Security deposits	19	19	-	-	19
Other financial liabilities	3,968	3,968	-	-	3,968
<b>Total non-derivative liabilities</b>	<b>2,00,792</b>	<b>4,010</b>	<b>22,279</b>	<b>1,74,503</b>	<b>2,00,792</b>
<b>Derivatives financial liabilities</b>					
Foreign exchange contract used for hedging	-	-	-	-	-
Other financial liabilities	4,224	4,224	-	-	4,224
<b>Total derivative liabilities</b>	<b>4,224</b>	<b>4,224</b>	<b>-</b>	<b>-</b>	<b>4,224</b>

**(iii) Market risk**

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

**Currency risk**

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

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

**Exposure to currency risk**

- (a) The Company's exposure to foreign currency risk at the end of the reporting period is presented in Note 40.  
(b) The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and forward contracts.

	Impact on profit after tax	Impact on profit after tax
	31 March 2024	31 March 2023
<b>USD sensitivity</b>		
R/USD -appreciated by 1%	44	30
R/USD -depreciated by 1%	(44)	(30)



**Performance Chemiserve Limited**  
**Notes to the financial statements for the year ended 31 March 2024**  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Interest rate risk**

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

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows. The following table provides a break-up of the company's fixed and floating rate borrowings:

	31 March 2024	31 March 2023
Variable rate	1,83,753	1,96,782
Fixed rate borrowings	89,178	-
<b>Total borrowings</b>	<b>2,72,931</b>	<b>1,96,782</b>

**Sensitivity**

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's loss for the year ended 31 March 2024 would decrease / increase by Rs. 919 lakhs (for the year ended 31 March 2023: capital work-in-progress would decrease / increase by Rs. 984 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

**Note 37: Capital Management**

**Risk Management**

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

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

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

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

The gearing ratios were as follows:

	31 March 2024	31 March 2023
Net debt (net of cash and cash equivalents)	2,61,305	1,87,711
Total equity	1,71,947	1,73,205
<b>Net debt to equity ratio</b>	<b>1.52</b>	<b>1.08</b>



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024

**Note: 38(a) Names of the Related Parties and Relationships**

**A. Holding Company**

Mahadhan AgriTech Limited  
(Formerly Smarchem Technologies Limited)

**B. Ultimate Holding Company**

Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL)

**C. Fellow subsidiaries**

Platinum Blasting Services Pty Limited (PBS)  
Australian Mining Explosives Pty Ltd (Subsidiary of PBS)  
Mahadhan Farm Technologies Private Limited  
SCM Fertichem Limited  
Ishanya Brand Services Limited  
Deepak Mining Solutions Limited  
(Formerly Deepak Mining Services Private Limited )  
Deepak Nitrochem Pty Limited  
Ishanya Realty Corporation Limited

**D. Key Management Personnel**

**1 Non-executive directors**

Mr Sailesh C. Mehta

Mrs Parul Sailesh Mehta

Mr Ashok P. Shah

Mr M. P. Shinde

**2 Non-executive independent directors**

Mr S. R. Wadhwa - Up to 26 March 2024

Mr U. P. Jhaveri

Mr R. Sriraman - Up to 26 March 2024

Mr Partha Bhattacharayya

Mr. B. C. Tripathi - From 27 March 2024

Mr. Sitaram Kunte - From 27 March 2024

**3 Chief Financial Officer**

Mr Upendra Patro\*

**4 Company Secretary**

Mr Pankaj Gupta\*\*

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

\*\* Mr. Pankaj Gupta was also Company Secretary of the Holding Company up to 31 March 2024

**E. Entities over which Key Managerial Personnel are able to exercise significant influence**

- 1 Robust Marketing Services Private Limited
- 2 Nova Synthetic Limited
- 3 The Lakaki Works Private Limited
- 4 High Tide Investments Private Limited
- 5 Deepak Asset Reconstruction Private Limited
- 6 Ishanya Foundation
- 7 Peerless General Finance and Investment Company Limited
- 8 Deepak Mining Solutions Limited  
(Formerly known as Deepak Mining Solutions Private Limited )
- 9 Greypoint Investments Private Limited
- 10 World of Performing Arts Foundation
- 11 Deepak Foundation

**F. Relatives of Key Management Personnel**

- 1 Mr Yeshil Mehta
- 2 Ms Rajvee Mehta
- 3 Mr. Andre Luciano Moscoso Arevalo
- 4 Mr Deepak Chimanlal Mehta
- 5 Mr Ajay Chimanlal Mehta

**G. Entities over which relatives of key management personnel are able to exercise significant influence**

- 1 Deepak Nitrite Limited
- 2 Deepak Phenolics Limited
- 3 Sofotel Infra Private Limited
- 4 Blue Shell Investments Private Limited
- 5 Storewell Credits and Capital Private Limited
- 6 Binarius Infra Private Limited
- 7 Deepak Novochem Technologies Limited

**H. Jointly controlled entity of DFPCL**

- 1 Yerowda Investments Limited



Note 38(b): Related Party Transactions

Sr. No.	Nature of Transactions	31 March 2024					31 March 2023				
		Ultimate Holding Entity	Holding Company	Key Management Personnel	Entities over which relatives of key management personnel are able to exercise significant influence	Total	Ultimate Holding Entity	Holding Company	Key Management Personnel	Total	
1	Inter Corporate Deposit taken/(repaid) from Mahadhan AgriTech Limited										
	Taken	-	2,70,040	-	-	2,70,040	-	3,000	-	3,000	
	Repaid	-	(1,84,337)	-	-	(1,84,337)	-	-	-	-	
2	Rendering of services										
	Deepak Fertilisers and Petrochemicals Corporation Limited	565	-	-	-	565	448	-	-	448	
3	Receiving of services/reimbursement of expenses										
	Deepak Fertilisers and Petrochemicals Corporation Limited	(609)	-	-	-	(609)	(906)	-	-	(906)	
	Mahadhan AgriTech Limited	-	-	-	-	-	-	(27)	-	(27)	
4	Sale of Asset										
	Mahadhan AgriTech Limited	-	-	-	-	-	-	3	-	3	
5	Sale of Ammonia										
	Deepak Fertilisers and Petrochemicals Corporation Limited	12,893	-	-	-	12,893	-	-	-	-	
	Mahadhan AgriTech Limited	-	92,219	-	-	92,219	-	-	-	-	
	Deepak Nitrite Limited	-	-	-	2,294	2,294	-	-	-	-	
	Deepak Novochem Technologies Limited	-	-	-	15	15	-	-	-	-	
6	Sale of Scrap										
	Mahadhan AgriTech Limited	-	2	-	-	2	-	-	-	-	
7	Sitting fees paid to non executive directors										
		-	-	(25)	-	(25)	-	-	(17)	(17)	
8	Purchase of Utilities, Spares and Consumables, other goods and services, etc.										
	Deepak Fertilisers and Petrochemicals Corporation Limited	(16,970)	-	-	-	(16,970)	-	-	-	-	
	Mahadhan AgriTech Limited	-	(299)	-	-	(299)	-	-	-	-	
9	Standby letter of credit charges reimbursement										
	Deepak Fertilisers and Petrochemicals Corporation Limited	(66)	-	-	-	(66)	-	-	-	-	
	Mahadhan AgriTech Limited	-	(142)	-	-	(142)	-	-	-	-	
10	Standby letter of credit										
	Deepak Fertilisers and Petrochemicals Corporation Limited	12,451	-	-	-	12,451	-	-	-	-	
	Mahadhan AgriTech Limited	-	18,906	-	-	18,906	-	-	-	-	
11	Consultancy Fees paid to M. P. Shinde										
		-	-	(7)	-	(7)	-	-	-	-	
12	Amounts outstanding at the year end										
	<b>Inter Corporate Deposit</b>										
	Mahadhan AgriTech Limited	-	(88,702)	-	-	(88,702)	-	(3,000)	-	(3,000)	
	Interest accrued and due on Inter Corporate Deposit	-	(8,672)	-	-	(8,672)	-	(24)	-	(24)	
	<b>Trade Receivable</b>										
	Mahadhan AgriTech Limited	-	23,085	-	-	23,085	-	-	-	-	
	Deepak Nitrite Limited	-	-	-	448	448	-	-	-	-	
	<b>Trade Payables</b>										
	Mahadhan AgriTech Limited	-	-	-	-	-	-	(24)	-	(24)	
	Deepak Fertilisers and Petrochemicals Corporation Limited	(5,073)	-	-	-	(5,073)	(74)	-	-	(74)	

Note: Figures in bracket represent outflows.

The company has taken corporate guarantee of Rs. 2,50,000 Lakhs (31 March 2023: Rs. 2,04,400 Lakhs) from Mahadhan AgriTech Limited.

The company has taken corporate guarantee of Rs. 90,000 Lakhs (31 March 2023: Rs. 2,63,574 Lakhs) from Deepak Fertilisers and Petrochemicals Corporation Limited.



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 39(a): Contingent Liabilities

Sr. No.	Particulars	31 March 2024	31 March 2023
1	Income tax matter	78	78
2	Goods and Services Tax appeal matter	-	15

Note 39(b): Capital Commitments

Sr. No.	Particulars	31 March 2024	31 March 2023
1	Commitments related to projects (net of advances)	5,330	37,278



Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

Note 40: Foreign Currency Balances Outstanding

	31 March 2024		31 March 2023	
	Amount in Foreign Currency Lakhs	Equivalent amount in ₹ Lakhs	Amount in Foreign Currency Lakhs	Equivalent amount in ₹ Lakhs
Hedged Position				
Creditors in (USD)	48	3,967	48	3,942
<b>Total</b>	<b>48</b>	<b>3,967</b>	<b>48</b>	<b>3,942</b>

Particulars	31 March 2024		31 March 2023	
	Amount in Foreign Currency Lakhs	Equivalent amount in ₹ Lakhs	Amount in Foreign Currency Lakhs	Equivalent amount in ₹ Lakhs
Forward contracts - USD	-	-	-	-
Option Contracts - USD	60	5,005	81	6,632
Forward contracts - EURO	-	-	1	100
<b>Total</b>	<b>60</b>	<b>5,005</b>	<b>82</b>	<b>6,732</b>

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

Note 41: Income Taxes

Components of Income Tax Expenses	31 March 2024	31 March 2023
<b>I. Income tax expense recognised in the statement of profit and loss</b>		
Current year	-	314
Charge/(credit) related to previous year (net)	-	-
<b>Total (A)</b>		<b>314</b>
Deferred tax (credit)/charge	(3,537)	(99)
<b>Total (B)</b>	<b>(3,537)</b>	<b>(99)</b>
<b>Total (A+B)</b>	<b>(3,537)</b>	<b>215</b>
<b>II. Tax on other comprehensive income</b>		
	2,410	-
<b>Total</b>	<b>(1,127)</b>	<b>215</b>

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate 31 March 2024 and 31 March 2023

Particulars	31 March 2024	31 March 2023
Accounting (loss)/profit before tax	(14,050)	836
At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%) (A)	(3,537)	210
Effects of non-deductible business expenses	-	1
Reversal of earlier year tax provision	-	-
Others	-	4
<b>Total (B)</b>		<b>5</b>
<b>Income Tax expense reported in the statement of profit or loss (A+B)</b>	<b>(3,537)</b>	<b>215</b>

Note 42: (Loss)/Earnings per Share

Basic (Loss)/Earnings per Share is calculated by dividing the (loss)/profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. There are no dilutive potential equity shares and accordingly, Basic Earnings per Share and Diluted Earnings per Share are the same. (Loss)/Earnings per Share has been calculated as under:

Particulars	31 March 2024	31 March 2023
(Loss)/Profit after tax for calculation of Basic and Diluted Earnings per Share (₹ Lakhs)	(10,513)	621
Weighted average number of equity shares (Face Value per share ₹ 10)	1,91,509	1,82,993
Basic (Loss)/Earnings per Share (in ₹)	(5,489.56)	339.17
Diluted (Loss)/Earnings per Share (in ₹)	(5,489.56)	339.17



Note 43: Relationship with Struck off Companies

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Not applicable			

Note 44: Ratios

Particulars	Current Year	Previous Year	Items included in numerator	Items included in denominator	Change in the ratio as compared to the preceding year	Explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year
(a) Current Ratio	2.34	1.38	Total current assets	Total current liabilities	69.46	The Company's new world scale Ammonia Greenfield Plant commenced its commercial production on 4 August 2023. The installed production capacity of the new plant is 1500 MT per day.
(b) Debt-Equity Ratio	1.59	1.14	Total Debt (Long Term Borrowings, Short Term Borrowings and Lease liabilities)	Shareholder's Equity (Share capital and Other Equity)	39.71	The Company's new world scale Ammonia Greenfield Plant commenced its commercial production on 4 August 2023. The installed production capacity of the new plant is 1500 MT per day.
(c) Debt Service Coverage Ratio	0.88	0.04	Earnings available for Debt Service (Net profit after tax + Non cash operating expenses + interest + other non cash adjustments)	Debt Service = Interest and lease payments + Principal repayments	2,179.49	The Company's new world scale Ammonia Greenfield Plant commenced its commercial production on 4 August 2023. The installed production capacity of the new plant is 1500 MT per day.
(d) Return on Equity Ratio	(6.09)	0.39	Profit after tax for the current year less preference dividend (if any)	Average Shareholder's Equity	(1,645.66)	The Company's new world scale Ammonia Greenfield Plant commenced its commercial production on 4 August 2023. The installed production capacity of the new plant is 1500 MT per day.
(e) Inventory turnover ratio	118.28	NA	Revenue from operations	Average of inventory current and previous year	NA	NA
(f) Trade Receivables turnover ratio	10.05	2.93	Revenue from operations	Average trade receivables	242.72	Ammonia commercial operations started in August 2023. Thus Turnover as compared to previous year has increased.
(g) Trade payables turnover ratio	20.54	5.10	Revenue from operations	Average trade payables	302.75	Ammonia commercial operations started in August 2023. Thus Turnover as compared to previous year has increased.
(h) Net capital turnover ratio	4.66	0.17	Revenue from operations	Average of net working capital current and previous year	2,641.18	Ammonia commercial operations started in August 2023. Thus Turnover as compared to previous year has increased.
(i) Net profit ratio	-8.41%	88.16%	Profit after tax for the current year	Revenue from operations	(109.53)	The loss is emerging out of the initial stabilization period which coincided with the low global Ammonia price. Currently, the Ammonia Plant has now achieved a stable capacity utilisation and the global ammonia prices have also stabilized to the long-term average prices.
(j) Return on Capital employed	0.86%	0.23%	Profit before tax and finance costs	Capital Employed = Tangible Net worth + Total Debt + Deferred tax liability	277.79	The Company's new world scale Ammonia Greenfield Plant commenced its commercial production on 4 August 2023. The installed production capacity of the new plant is 1500 MT per day.
(k) Return on investment	6.00%	25.82%	Income generated from investment funds	Average invested funds in treasury investments	(76.77)	Equity infusion during last year - Rs. 30000 lakhs out of which spare money were temporarily invested in Mutual funds and as per the requirement for project outflow, redemption had taken place. In current year, Ammonia commercial operations started in August 2023. Only excess money is being invested over and operations commitment.





Performance Chemiserve Limited  
Notes to the financial statements for the year ended 31 March 2024  
(All Amounts in ₹ Lakhs unless otherwise stated)

**Note 45:** The Company is in the business of chemicals manufacturing and chemical drumming, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

As per our report of even date attached

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



Himanshu Goradia  
Partner  
Membership No. 045668

Place: Pune  
Date: 28 May 2024



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



S. C. Mehta  
Chairman  
DIN:00128204



Upendra Patro  
Chief Financial Officer



Ashok Shah  
Director  
DIN:00196506



Pankaj Gupta  
Company Secretary  
Membership No: F-9219

Place: Pune  
Date: 28 May 2024



## COMPANY INFORMATION

### Board of Directors

Mr. Shailesh C Mehta – Non-executive Chairman  
Smt. Parul S Mehta – Non-executive Director  
Mr. M P Shinde – Non-executive Director  
Mr. Ashok P Shah – Non-executive Director (up to 29<sup>th</sup> June 2024)  
Mr. Partha Bhattacharyya – Independent Director  
Mr. B C Tripathi – Independent Director  
Mr. Sitaram Kunte – Independent Director  
Mr. U P Jhaveri – Independent Director (up to 29<sup>th</sup> June 2024)

### Chief Financial Officer

Mr. Upendra Patro

### Company Secretary

Mr. Pankaj Gupta

### Registered Office:

Sai Hira, Survey No. 93, Mundhwa  
Pune – 411 036  
P. No.: +91 20 6645 8000  
Website: [www.pclindia.co.in](http://www.pclindia.co.in)

### Plant:

Plot E-31, MIDC Industrial Area,  
Taloja - 410208  
District Raigad

### Contact details for Grievance Redressal

Mr. Pankaj Gupta  
Company Secretary  
Sai Hira, Survey No. 93, Mundhwa  
Pune – 411 036  
P. No.: +91 20 6645 8233  
E-mail: [pankaj.gupta@dfpcl.com](mailto:pankaj.gupta@dfpcl.com)

### Debenture Trustee:

#### Catalyst Trusteeship Limited

604, Windsor Building,  
Kalina, Santacruz East,  
Mumbai – 400098,  
P. No.: +91 22 4922 0555  
E-mail: [ComplianceCTL-Mumbai@ctltrustee.com](mailto:ComplianceCTL-Mumbai@ctltrustee.com)  
Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)

### Statutory Auditors

M/s. B. K. Khare & Co.  
Chartered Accountants (Mumbai)  
Firm Registration No. 105102W  
Mumbai

### Secretarial Auditors

Jog Limaye & Associates  
Practicing Company Secretaries  
Pune