



Change the way, the world cools....



2017-18
Annual Report

CORPORATE INFORMATION

| | | | |
|---|--|--------------------------------------|---|
| Chairman and Managing Director | Mr. Nimesh Natvarlal Mehta | Registered office | R 637 TTC Industrial Area MIDC Rabale, Navi Mumbai 400 701 |
| Wholetime Director and Chief Financial Officer | Mrs. Manisha Nimesh Mehta | CORPORATE OFFICE | 168, Bhanusali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009 |
| Directors | *Mr. Moiz Mohsin Miyajiwala (resigned w.e.f. 27 th January, 2018) *Mr. Pradeep Shrirang Bhave (resigned w.e.f. 27 th January, 2018) Mr. Vinay Raghunath Deshmukh Mr. Bhanu Pratap Singh | EASTERN SUBURB | C/303, Kailash Esplanade, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086 |
| Audit Committee | Mr. Vinay Raghunath Deshmukh Mr. Bhanu Pratap Singh Mrs. Manisha Nimesh Mehta | GAZIABAD | G-12, Plot No 1, EDM Complex, Kaushambhi Gaziabad |
| Nomination and Remuneration Committee | Mr. Vinay Raghunath Deshmukh Mr. Bhanu Pratap Singh Mrs. Manisha Nimesh Mehta | HYDERABAD | 2/A/242, Road No.18 Opp. Jubilee Hills Police Station Jubilee Hills Hyderabad - 500 033 |
| Stakeholder Relationship Committee | Mr. Bhanu Pratap Singh Mr. Nimesh Mehta Mrs. Manisha Mehta | Registrar and Transfer Agents | Karvy Computershare Private Limited, Karvy Selenium Tower B , Plot number 31 & 32, Financial District Gachibowli, Hyderabad - 500 032 |
| Auditors | M/s JCR & Co, Chartered Accountant, Mumbai | | |
| Internal Auditors | M/s Thacker Butala Desai, Chartered Accountant, Mumbai | | |

Director's Report

Dear Members

Your Directors take pleasure in presenting the 22nd Annual Report together with the audited financial statements for the financial year ended 31 March 2018. The Management Discussion and Analysis has also been incorporated into this report.

FINANCIAL RESULTS

The highlights of the Standalone and Consolidated Financial Results are as under:

| Particulars | Standalone | | Consolidated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31st March,2018 | 31st March,2017 | 31st March,2018 | 31st March,2017 |
| Amount in Rs. | | | | |
| Revenue from operations | 100,736,759 | 155,603,108 | 106,401,637 | 163,634,740 |
| Other Income | 6,279,351 | 2,780,195 | 5,864,996 | 2,430,503 |
| Total Revenue | 107,016,111 | 158,383,303 | 112,266,634 | 166,065,243 |
| <u>Expenses:</u> | | | | |
| Cost of Materials/Services Consumed | 41,791,471 | 79,160,296 | 45,139,411 | 77,569,171 |
| Employee benefits expense | 21,281,129 | 28,013,655 | 21,964,502 | 32,784,506 |
| Finance costs | 16,756,870 | 15,738,184 | 19,243,239 | 17,359,537 |
| Depreciation and amortization expense | 6,470,620 | 6,878,517 | 7,439,303 | 7,729,298 |
| Other expenses | 15,637,372 | 19,841,860 | 16,223,227 | 20,818,055 |
| Total Expenses | 101,937,462 | 149,632,512 | 110,009,682 | 156,260,568 |
| Profit before tax | 5,078,648 | 8,750,792 | 2,256,952 | 9,804,675 |
| Current tax | 1,269,662 | 3,069,314 | 1,269,662 | 3,324,014 |
| Deferred tax | 128,208 | (151,486) | 60,614 | 481,549 |
| Excess Provision of Previous Year | | - | | - |
| Total Tax Expense | 1,397,870 | 2,917,828 | 1,330,276 | 3,805,563 |
| Minority Interest | | - | | - |
| Profit (Loss) for the period | 3,680,779 | 5,832,963 | 926,676 | 5,999,112 |
| Earnings per equity share (FV Rs10): | | | | |
| Basic and Diluted | 0.45 | 0.76 | 0.11 | 0.78 |
| P&L A/c Opening Balance | 21,287,791 | 15,454,828 | 22,468,389 | 16,469,277 |
| Add: Net Profit/(Loss) for the Period | 3,680,779 | 5,832,963 | 926,676 | 5,999,112 |
| Transfer to General Reserve | | | | |
| Less: Depreciation Adjustment | - | - | - | - |
| Less: Issue of Bonus Shares | - | - | - | - |

| | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Less: Interim Dividend Paid | - | - | - | - |
| Less :Dividend Distribution Tax Paid | - | - | - | - |
| P&L A/c Closing Balance | 24,968,570 | 21,287,791 | 23,395,065 | 22,468,389 |

During the financial year under review, on a standalone basis, the Company recorded revenue of Rs. 10.70 cr as against Rs. 15.84 cr in the previous year. Net profit for the year stood at Rs.36.80 lakhs as compared to Rs. 58.32 lakhs in the previous year. On a consolidated basis, the company's revenue was at Rs. 11.22 cr as against Rs. 16.60 cr in the previous year and net profit amounted to Rs. 9.26 lakhs as compared to Rs. 60 lakhs in the previous year.

DIVIDEND

The Board of Directors does not recommend any interim or final dividend.

SHARE CAPITAL

There is no change in the authorized share capital of the company during the financial year 2017-18 and the authorized share capital of the Company remain same as on 31st March, 2018 Rs. 10.00 crores.

During the year under review the Company issued 1,735,851 Equity Shares of Rs. 10 each to Non-promoters on Preferential Basis on 14th November, 2017.

The paid up share capital of the Company as on 31st March, 2018 is Rs. 9,445,2590/-.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 168 of Companies Act 2013, Mr. Moiz Mohsin Miyajiwala and Mr. Pradeep Shirang Bhawe, Independent Directors of the Company, resigned with effect from 27th January, 2018. Thereafter, the company appointed Mr. Bhanu Pratap Singh (DIN: 07182170) pursuant to section 161 of Companies Act, 2013 as the Additional Director of the company, subject to regularization as the Independent Director in the upcoming General Meeting.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.('SEBI (LODR) Regulations, 2015').

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state that:

1. In the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. Such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2018 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual financial statements for the year ended 31st March, 2018 have been prepared on a going concern basis;
5. Internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;

6. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and are operating effectively.

NUMBER OF BOARD MEETINGS

During the year under review, 6 Board Meetings were held viz on 26th May 2017, 19th July 2017, 26th July 2017, 30th August 2017, 14th November 2017, 21st March 2018; the details of which are given in the annexure to Board Report.

STATUTORY AUDITORS

At the Annual General Meeting of the Company held on 27th September, 2018, appointment of M/s. JCR and Co., Chartered Accountants, were appointed as Statutory Auditors of the Company. The Audit Committee and the Board of Directors of the Company have recommended to the members of the Company, ratification of appointment of M/s. JCR and Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 23rd Annual General Meeting of the Company. The Company has received a letter from M/s. JCR and Co., Chartered Accountants, confirming that they are eligible for ratification of their appointment.

AUDITORS' REPORT

The Auditors' Report on standalone and consolidated financial statements forms part of the Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks and it is not affecting Company's profit materially. Notes to the Financial Statements are self-explanatory and do not call for any further comments. The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force).

CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES

In accordance with the provisions of Companies Act, 2013 ("the Act"), SEBI (LODR) Regulations, 2015 and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited Corporate Overview Management Reports Financial Statements consolidated financial statements form part of the Annual Report. In view of this, the Balance Sheet, Statement of Profit and Loss and other related documents of the subsidiaries are attached in this Annual Report. A copy of Audited Financial Statements of the Subsidiary shall be made available for inspection at the Registered Office of the Company during business hours. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiary shall make specific request in writing to the Company Secretary. The Audited Financial Statements of the subsidiaries are also available on the website www.perfectinfra.com of the Company. As on 31st March, 2018, the Company has 1 subsidiary. The Company does not have any Associate Company pursuant to the provisions of the Companies Act, 2013. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial position of subsidiary is given in Form AOC-1 annexed as **"Annexure 1"** to this Report. The Company has framed a policy for determining material transaction with subsidiary.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013, extract of the Annual Return of the Company in Form MGT-9 is annexed as **"Annexure 2"** to this Report. Secretarial Audit Report Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed of Prajakta V. Padhye & Co., Practicing Company Secretary to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report issued by her is annexed as **"Annexure 3"** to this Report.

CLARIFICATION TO THE OBSERVATIONS MADE IN THE SECRETARIAL AUDIT REPORT

1. The Company failed to conduct separate meeting of Independent Directors in the year under review.
2. The Board Meeting to be held on 13th March, 2018 was adjourned to 21st March, 2018 due to the non-availability of the quorum and therefore the gap between two meetings i.e. meeting held on 14th November, 2017 and on 21st March, 2018 exceeded the 120 days limit.
3. The Audit Committee Meeting to be held on 13th March, 2018 was adjourned to 21st March, 2018 due to the non-availability of the quorum and therefore the gap between two meetings i.e. meeting held on 14th November, 2017 and on 21st March, 2018 exceeded the 120 days limit.
4. Due to the vacancy in the office of Independent Director, the quorum of the Audit Committee did not suffice.
5. Due the paucity of the time, the Company failed to disclose the clarification to the observations made in the Secretarial Audit report and therefore the requirement of Section 134 in this respect was not complied.
6. The Company had made disclosures of the Sale of shares of the Directors under Regulation 29 of the Securities and Exchange Board of India (Substantial Acquisition & Takeovers) Regulations, 2011 and under Regulation 7(2) of the Regulation 7 of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
7. The Company received the resignation letters from Mr. Moiz Miyajiwala and Mr. Pradeep Bhawe on 27-01-2018. Thereafter, the company had made attempts to retain the Directors for over a month. However, the Company failed to retain the Directors. Therefore the company took the same for consideration in the next board meeting which was supposed to be held on 13-03-2018, but the same was adjourned due to lack of quorum and held on 21-03-2018.
8. The dematerialization of the shares of Promoter's Group is in process.
9. The Company is in the process of updating the policies of Appointment of Independent Directors and other miscellaneous updates.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report. Corporate Governance In terms of Regulation 34 of SEBI (LODR) Regulations, 2015, a report on Corporate Governance along with Statutory Auditors' Certificate confirming its compliance is provided separately and forms integral part of this Report.

RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year under review were on an arm's length basis and in the ordinary course of business. Note No. 28 to the Financial Statements contains details of Related Party Transactions. No related party transaction was in conflict with the interest of the Company. As prescribed by Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts/arrangements with Related Parties are given in Form AOC-2, annexed as **"Annexure 4"** to this Report. The policy on Related Party Transactions has been uploaded on the Company's website.

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

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **"Annexure 5"** forming part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 ("Act") read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March, 2018, none of the employees of the Company draws remuneration in excess of the limits set out in the said rules. The details required as per said

rules and the Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "**Annexure 6**" to this Report.

SEGMENT

The Company operates in Single-segment having various operations viz. HVAC, Mechanical and MEP (Supply/Testing of Air-conditions and Electrical) and Annual Maintenance Contracts of Air-conditioning and giving Air-conditioners on rent.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has established a vigil mechanism. The details of Vigil Mechanism are provided in the Corporate Governance Report. The Vigil Mechanism / Whistle Blower Policy may be accessed on the Company's website at www.perfectinfra.com.

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following well laid down policy on appointment and remuneration of Directors, and Key Managerial Personnel (KMP). The appointment of Directors is made by the Board pursuant to the recommendation of Nomination and Remuneration Committee (NRC).

The remuneration of Executive Directors comprises of Basic Salary, Perquisites & Allowances, and Commission. The remuneration is within the limits prescribed under the Companies Act, 2013 and is recommended by Nomination and Remuneration Committee (NRC). Approval of Board, Shareholders and the Central Government, if required, for payment of remuneration to Executive Directors is sought, from time to time.

The remuneration of Non-Executive Directors comprises of sitting fees and commission in accordance with the provisions of Companies Act, 2013. A brief extract of the Remuneration Policy on appointment and remuneration of Directors, and KMP is provided in the Corporate Governance Report.

PERFORMANCE EVALUATION OF DIRECTORS

Criteria of performance evaluation of the Board of Directors including Independent Directors are laid down by Nomination and Remuneration Committee of the Company. Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors will carry annual performance evaluation of entire board, committee and all parameters specified in CG Reporting current year.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at workplace, the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, the Company has not received any complaint under the said policy.

DISCLOSURE ON COST RECORDS MAINTENANCE

The provisions with respect to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not granted any loan during the year under review. The details of non current investment made are provided in Note No. 13 to the Standalone Financial Statements.

INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances. The Internal Audit reports are periodically reviewed by the management and necessary improvements are undertaken, if required.

RISK MANAGEMENT

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation.

DEPOSITS

During the year under review, no deposits were accepted by the Company under Chapter V of the Companies Act, 2013.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

GENERAL

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review or said items are not applicable to the Company:

1. Cost Audit
2. Issue of equity shares with differential rights as to dividend, voting or otherwise or issue of sweat equity share.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2017-18 and the date of this report.

ACKNOWLEDGEMENTS

Our consistent growth has been made possible due to our culture of professionalism, integrity and continuous evolvement.

Directors take this opportunity to thank customers, suppliers, investors, bankers, the Central and State Governments, for their consistent support and co-operation to the Company.

We place on record our appreciation of the contribution made by employees at all levels, without whose whole-hearted efforts, the overall performance would not have been possible. Directors look forward to the long term future with confidence.

For and on behalf of the Board

sd/-

Nimesh Mehta
Director
DIN: 00247264

Manisha Mehta
Director
DIN: 00247274

Mumbai
3rd September, 2018

Annexures to Director's Report

Annexure 1

Form AOC-1
Statement containing salient features of the financial statement of
subsidiaries/associate companies/JV

| S. No | Particulars | Details |
|-------|---|--|
| 1 | Name of the subsidiary | Perfect Control Panels Private Limited |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | NA |
| 4 | Share capital | 10006000 |
| 5 | Reserves & surplus | (1,246,647) |
| 6 | Total assets | 34,465,025 |
| 7 | Total Liabilities | 34,465,025 |
| 8 | Investments | 495,000 |
| 9 | Turnover | 5,664,878 |
| 10 | Profit before taxation | (2,494,839) |
| 11 | Provision for taxation | (67,594) |
| 12 | Profit after taxation | (2,427,245) |
| 13 | Proposed Dividend | NIL |
| 14 | % of shareholding | 100% |

For and on behalf of the Board

Nimesh Mehta
Director
DIN: 00247264

Manisha Mehta
Director
DIN: 00247274

Mumbai
3rd September, 2018

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**as on the Financial Year ended on 31st March, 2015

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---|---|
| i. | CIN | L29190MH1996PLC099583 |
| ii. | Registration Date | 16 th May, 1996 |
| iii. | Name of the Company | PERFECT INFRAENGINEERS LTD |
| iv. | Category / Sub-Category of the Company | Company limited by shares / Indian Non-Government Company |
| v. | Address of the Registered office and contact details | R637, TTC Industrial Area, MIDC Rabale, Navi Mumbai 400701, Maharashtra, India Tel: +91 022 2348 0129 |
| vi. | Whether listed company | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Karvy Computershare Private Ltd, Karvy selenium Tower B , Plot number 31 & 32 , Financial District Gachibowli, Hyderabad – 500 032 Tel: +91 40 6716 1615 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company are as follows:

| Sr. No. | Name and Description of main products / services | % to total turnover of the Company | NIC CODE |
|---------|---|------------------------------------|----------|
| 1 | Trading/Installation & Commissioning of AC/Renting of Air conditions/sale of services | 98.65% | 4322 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S.No . | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|--------|--|-----------------------|--------------------------------|------------------|----------------------------------|
| 1 | Perfect Control Panels Private Limited R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai-400708 | J31401MH2015PTC262109 | Subsidiary | 100.00 | 2(87) of the Companies Act, 2013 |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) CATEGORY-WISE SHARE HOLDING

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|----------------------------|---|--------------|----------------|-------------------|---|--------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| g) Individual/HUF | 5042505 | 10667 | 5053172 | 65.55 | 4544505 | 10667 | 4555172 | 48.23 | 17.32 |
| h) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) State Govt(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| j) Bodies Corp | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| k) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| l) Any Other | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (1):- | 5042505 | 10667 | 5053172 | 65.55 | 4544505 | 10667 | 4555172 | 48.23 | 17.32 |

[illegible]

| | | | | | | | | | |
|---|---------------------|--------------------|---------------------|--------------|---------------------|--------------|---------------------|-------------------|-------------------------|
| b) Individuals | | | | | | | | | |
| i) Individual shareholde rs holding nominal share capital uptoRs. 2 lakh | 1072661 | 6231 | 1078892 | 13.99 | 1162958 | 6231 | 116918 9 | 12.38 | 1.61 |
| ii) Individual shareholde rs holding nominal share capital in excess of Rs 2 lakh | 366000 | 60666 | 426666 | 5.53 | 2013481 | 60666 | 207414 7 | 21.96 | - 16.4 3 |
| c) Others (Clearing Members, NBFC, NRIs) | 12000 | Nil | 12000 | 0.16 | 18000 | Nil | 18000 | 0.19 | 0.03 |
| Sub-total (B)(2):- | 189333 9 | 6689 7 | 196023 6 | 25.42 | 430719 0 | 66897 | 437408 7 | 46.3 1 | - 20.8 9 |
| Total Public Sharehol ding (B)=(B)(1)+ (B)(2) | 259955 6 | 7468 0 | 267423 6 | 34.44 | 482319 0 | 66897 | 489008 7 | 51.7 7 | - 17.3 3 |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 758744 1 | 1219 67 | 770940 8 | 100 | 936769 5 | 77564 | 944525 9 | 100 | 0.00 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | |
|-----------------------|---------------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | % change in share holding during the Year |
| PROMOTERS | | | | | | | | |
| 1 | NIMESH NATVARLAL MEHTA | 2566053 | 33.28 | 0 | 2566053 | 27.17 | 0 | 6.11 |
| 2 | MANISHA NIMESH MEHTA | 2433832 | 31.57 | 0 | 1953832 | 20.69 | 0 | 10.88 |
| PROMOTER GROUP | | | | | | | | |
| 3 | PRITI BHANUSHALI | 10667 | 0.14 | 0 | 10667 | 0.11 | 0 | Nil |
| 4 | PRITI JAYANT BHANUSHALI | 6000 | 0.08 | 0 | 6000 | 0.06 | 0 | Nil |
| 5 | SHARMILA RAMCHANDRA SINGH | 36620 | 0.48 | 0 | 18620 | 0.20 | 0 | Nil |
| | TOTAL | 5,053,172 | 65.55 | 0 | 4555172 | 48.23 | 0 | 17.32 |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | MANISHA NIMESH MEHTA | | | | |
| | At the beginning of the year | 2433832 | 31.57 | 2433832 | 31.57 |
| | Decrease in shareholding | 480000 | 10.88 | 480000 | 10.88 |
| | At the End of the year | 1953832 | 20.69 | 1953832 | 20.69 |

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | MANAN RAJENDRA DOSHI HUF | 491481 | 5.20 | 491481 | 5.20 |
| 2 | SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND | 438000 | 4.64 | 438000 | 4.64 |
| 3 | GITA KIRTI AMBANI | 376000 | 3.98 | 376000 | 3.98 |
| 4 | VINOD KUMAR JARIA | 372000 | 3.94 | 372000 | 3.94 |
| 5 | WEALTH 4 U CONSULTANTS PRIVATE LIMITED | 370370 | 3.92 | 370370 | 3.92 |
| 6 | KEYNOTE CAPITALS LIMITED | 216000 | 2.29 | 216000 | 2.29 |
| 7 | PALLADIUM FINSERVE PRIVATE LIMITED | 120000 | 1.27 | 120000 | 1.27 |
| 8 | COMPETENT FINMAN PRIVATE LIMITED | 78000 | 0.83 | 78000 | 0.83 |
| 9 | ANSHUL GUPTA | 78000 | 0.83 | 78000 | 0.83 |
| 10 | AMIT MEHTA | 72000 | 0.76 | 72000 | 0.76 |

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sl. No. | For Each KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|----------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mrs. Manisha Nimesh Mehta | 2433832 | 31.57 | 1953832 | 20.69 |
| 2 | Mr. Nimesh Natvarlal Mehta | 2566053 | 33.28 | 2566053 | 27.17 |

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount due | 1032.75 | 37.68 | - | 1070.04 |
| ii) Interest due but not paid | 1.58 | - | - | 1.58 |
| iii) Interest accrued but not paid | 0.60 | - | - | 0.60 |
| Total(i+ii+iii) | 1034.93 | 37.68 | - | 1072.62 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 253.6 | | - | 278.68 |
| • Reduction | 111.95 | 25.08 | - | 204.81 |
| | | 92.86 | | |
| Net Change | 141.65 | (67.61) | - | 73.87 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1286.35 | 30 | - | 1316.35 |
| ii) Interest due but not paid iii) Interest accrued but not due | 2.05 | - | - | 2.05 |
| | 0.60 | - | - | 0.60 |
| Total(i+ii+iii) | 1289.00 | 30 | - | 1319.00 |

VI. Remuneration of Directors and Key Managerial Personal Remuneration to MD /WTD

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---------|---|-------------------------|--------------------|--------------|
| | | Mr. Nimesh Mehta | Mrs. Manisha Mehta | |
| 1 | Gross salary | 1,467,400 | 1,350,000 | 2,817,400 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | 0 | 0 | |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total (A) | 1,467,400 | 1,350,000 | 2,817,400 |

a. Remuneration of Independent Director

| Sl. no. | Particulars of Remuneration Independent Directors | Name of Directors | | | | Total Amount |
|---------|---|-------------------|----------------------------|--------------------|------------------------|--------------|
| | | Mr. Pradeep Bhawe | Mr. Moiz Mohsin Miyajiwala | Mr. Vinay Deshmukh | Mr. Bhanu Pratap Singh | |
| 1 | Fee for attending board committee meetings | 70,000 | 40,000 | 20,000 | 0 | 1,30,000 |
| | Commission | 0 | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total (1) | 70,000 | 40,000 | 20,000 | 0 | 1,30,000 |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending board committee meetings | 0 | 0 | 0 | 0 | 0 |

b. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|--------------------------|--------------------|-----------|
| | | Company Secretary | CFO | Total |
| | | Mrs. Poonam Maurya | Mrs. Manisha Mehta | |
| 1 | Gross salary | 360,000 | 1,350,000 | 1,710,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | 0 | | |
| | - as % of profit | 0 | 0 | 0 |
| | - others, specify... | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total | 360,000 | 1,350,000 | 1,710,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2017.

For and behalf of the Board

Sd/-

Nimesh Mehta
Director
DIN:00 247264

Manisha Mehta
Director
DIN: 00247274

Mumbai
3rd September, 2018

MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014}

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018 (01-04-2017 to 31-03-2018)

To,
The Members,
PERFECT INFRAENGINEERS LIMITED
R-637, TTC INDUSTRIAL AREA, MIDC, T. B. ROAD,
RABALE, NAVI MUMBAI - 400708

Dear Sirs,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PERFECT INFRAENGINEERS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2018 has 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PERFECT INFRAENGINEERS LIMITED** ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and The Companies Act, 1956 (the Old Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment.
- 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1st December, 2015;

- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable);
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable as the Company has not issued and listed debt securities during the financial year under review);
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July 2015.
- (ii) The Listing Agreement entered into by the Company with Stock Exchange.

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

- 1) No meeting of Independent Directors was held during the audit period.
- 2) The gap between two Board Meetings in one case exceeds period of 120 days.
- 3) The gap between two Audit Committee meetings in one case exceeds period 120 days.
- 4) The Audit Committee Meeting held on 21st March, 2018 was attended by a single independent director.
- 5) The Company has not complied with the requirement of Section 134 with respect to disclosures in the Directors' Report.
- 6) The Company has not submitted the disclosures as required under Regulation 30 of the Securities and Exchange Board of India [Substantial Acquisition & Takeovers) Regulations, 2011.
- 7) The Company made delayed disclosures with respect to resignation of Independent Directors and not complied with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 8) The Company has not complied with Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding dematerialization of shares of Promoter's Group.
- 9) The website of the Company is under process of updation for disclosures as required under Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as is required as per applicable clauses under Listing Agreement. 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 Act.

Adequate notice were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance in majority of the Board Meeting, 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.

Majority decision is carried through while the dissenting Member's views were captured and recorded as part of the minutes wherever required.

I 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.

I further report that during the audit period, the Company has issued 1,735,851 Equity Shares of Rs.10/- each at a premium of Rs.17/- per share during the audit period.

I further report that during the audit period, there were no instances of:

- (i) issue of Right Shares / Debentures / Sweat Equity.
- (ii) Redemption / buy-back of securities.
- (iii) Foreign Technical collaborations.

I further report that during the audit period the Company has not undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Prajakta V.Padhya & Co,
Practicing Company Secretaries

Prajakta V.Padhya
Proprietor

Place: Dombivli
Date: 3rd September, 2018

FCS:7478
COP:7891

Note: This report should be read with my letter which is annexed as Annexure I and forms integral part of this report.

ANNEXURE –I

To,
The Members,
PERFECT INFRAENGINEERS LIMITED
R-637, TTC INDUSTRIAL AREA, MIDC, T. B. ROAD,
RABALE, NAVI MUMBAI - 400708

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My examination was limited to the verification of procedures on test basis.
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.

For Prajakta V.Padhye & Co,
Practicing Company Secretaries

Sd/-

Prajakta V.Padhye
Proprietor
FCS:7478
COP:7891

Place: Dombivli
Date: 3rd September, 2018

FORM AOC -2

**Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule (2) of Companies (Accounts) Rules, 2014**

The particulars of Contracts or arrangements entered into by the Company with related parties under Section 188 of the Companies Act, 2013, are as follows:

- a) There were no contracts or arrangements entered into by the Company with the related parties during the Financial Year 2016-17, which were not at arm's length:
- b) The details of material contracts or arrangements or transactions at arm's length basis during the Financial

| S.no | Particular | Amount |
|-------------|---|---------------|
| A | Key Management Personnel | |
| 1 | Remuneration to Directors | 3,457,620 |
| 2 | Sale to Proprietary Concern of Director | - |
| 3 | Purchase from Proprietary Concern of Director | - |
| 4 | Rent Paid | - |
| B | Other Related Parties | |
| 1 | Rent Paid | 200,000 |
| 2 | Salary Paid | |
| C | Subsidiary Company | |
| 1 | Fees Received | |
| 2 | Rent Received | 600,000 |
| 3 | Purchase of Material | 3,185,830 |

For and behalf of the Board

Sd/-

Nimesh Mehta
Director
DIN: 00247264

Manisha Mehta
Director
DIN: 00247274

Mumbai
3rd September, 2018

A) CONSERVATION OF ENERGY**i. Steps taken or impact on Conservation of Energy**

- Ensuring optimum utilization of energy and maximum possible savings of energy.
- Avoiding any known wastages of energy by monitoring and reviewing energy usage.

ii. Steps taken by the Company for utilising alternate sources of energy

- Maximum use of natural light in the work shop and conserving electrical energy

iii. Capital Investments on energy conservation equipment

During the Financial Year, your Company has not invested on any energy conservation equipment.

B) TECHNOLOGY ABSORPTION

The Company has not absorbed any new technology during the Financial Year.

a) Payments in foreign currency towards Imports

| Imports at CIF Value | 2017-18 | 2016-17 |
|--------------------------------|----------------|----------------|
| Raw Materials and Traded goods | Nil | Nil |
| Capital Goods | Nil | Nil |

b) Payments in foreign currency towards Expenditure:

| Imports at CIF Value | 2017-18 | 2016-17 |
|-------------------------------|----------------|----------------|
| Technical know-how fees (WIP) | 41,966,084 | 628,601 |
| Capital Goods | 350,000 | 140,500 |

c) Earnings in foreign currency on Accrual basis

| Earnings in foreign currency | 2017-18 | 2016-17 |
|-------------------------------------|----------------|----------------|
| Exports – Products | | 7,943,532 |
| Exports – Services | | 0 |

d) Net Gain or Loss on Foreign Currency Translation

| Description | 2017-18 | 2016-17 |
|--|----------------|----------------|
| Profit on Foreign Currency Translation | - | 410,862 |

For and behalf of the Board

sd/-

Nimesh Mehta
Director
DIN: 00247264

Manisha Mehta
Director
DIN: 00247274

Mumbai
3rd September, 2018

Annexure 7

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The details of remuneration of each Director and KMP during the Financial Year 2016-17 and the percentage increase in remuneration of each Director and KMP, ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2017-18 and the comparison of remuneration of each KMP against the performance of the Company are as follows:

| Sr. No. | Name | Designation | Remuneration in 2016-17 (in Rs.) | Remuneration in 2016-17 (in Rs.) | % change (increase / decrease) |
|---------|--------------------|-------------------|----------------------------------|----------------------------------|--------------------------------|
| 1 | Mr. Nimesh Mehta | Director | 1,629,400 | 1,467,400 | 9.94% |
| 2 | Mrs. Manisha Mehta | Director | 1,247,100 | 1,350,000 | 8.25% |
| 3 | Mrs. Poonam Maurya | Company Secretary | 360,000 | 360,000 | 0% |

- ii. The median remuneration of employees of the Company for the Financial Year was 1,50,000.
- iii. There was no increase in the median remuneration of employees in the Financial Year.
- iv. There were 64 permanent employees on the rolls of the Company as on 31st March, 2018.
- v. Relationship between average increase in remuneration and company performance: Profit before tax decreased by 32.43 % in the Financial Year 2017-18, whereas the Company retained the talented employees without increase in remuneration.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel is same as on 31st March 2016 and as on 31st March 2018.
- vii. Variations in the market Capitalization: The market capitalization as at 31st March 2018 is 19.59 cr (14.84 cr at 31st March, 2017).
- viii. Price earnings ratio of the Company was 38.43 as at 31st March, 2018.
- ix. The Closing price of the Company's equity share on the NSE Emerge Platform as of 31st March, 2018 was Rs 20.75, which was lower by 09.78% than the IPO Price of 23.
- x. Salaries of employees are stable whereas remuneration of Managing Director & Whole-time Directors is also same as the last year.
- xi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, and Key Managerial Personnel.
- xii. During the Financial Year, no employee received remuneration in excess of the highest-paid Director.

xiii.It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and behalf of the Board

sd/-

Nimesh Mehta
Director
DIN: 247264

Manisha Mehta
Director
DIN: 247274

Mumbai
3rd September, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The estimated total market size for air conditioning in India is around Rs 16,000 cr of which, the market for central air conditioning, including central plants, packaged/ducted systems, VRF systems and other ancillary equipment, is reportedly about Rs 5,900 cr. During fiscal 2016, the commercial segment gained some momentum in select metros, whilst the overall market remained muted, with investments in the industrial and infrastructure segment not witnessing any improvement. Though the market sentiments were positive, active prospects for finalization of projects were low. Segments such as healthcare, malls, metro and power witnessed enhanced demand, while corporate continued to remain cautious on fresh investments. In the electro-mechanical projects business, most of the private, medium and large-sized projects remained subdued, while there was a sharp increase in investments in Government-related projects of the Centre as well as the States. Business sentiments remained tepid as non-availability of capital funds continued to adversely affect expansions and investments.

The HVAC and MEP industry in India has evolved during the past decade. Over the last few years, the industry has gradually progressed from offering mere HVAC solutions to MEP (Mechanical / HVAC, Electrical and Plumbing) solutions – in line with global norms. With the domestic HVAC players extending their scope of work to electrical and plumbing solutions, the addressable market size has more than doubled to nearly 30-35% of construction costs. MEP services market is highly fragmented with hundreds of contractors in India, with very few players having a pan-India presence.

Some of the key trends observed in the industry are as follows:

- **Slow Economic Recovery** is resulting in demand moderation of HVAC systems and leading to a greater emphasis on energy savings. Global economic recovery has been sluggish especially in the US and Europe regions. This coupled with reduced incomes and higher energy bills have impacted the overall demand for HVAC systems.
- **Increased focus on energy conservation and demand prediction:** Since prerequisite for any effective management is measurement, a high emphasis is observed on measuring and reporting of energy consumption at an increasingly granular level. Increased focus on the energy utilization is also due to the fact that the energy consumption level in the HVAC appliances is comparatively higher.
- **Cost reduction via preventive maintenance and remote diagnostics:** HVAC systems are among the largest consumers of energy, indicating that these systems can be the source of good savings if the overall performance is increased and the faults are detected on time. Cost savings can be achieved. Smart grids help in intelligent distribution resulting in minimal losses, whereas measurement and reporting of consumption in real time is achieved by smart meters.
- **Increased interest in the technologies like Big data, cloud computing and advanced analytics:** HVAC OEMS are increasingly turning to technologies like Big data, cloud computing and advanced analytics to create product differentiation and gain market share. These technologies are used for trend analysis, pattern recognition, cause and effect analysis, etc. Big data and advanced analytics are also being leveraged to predict future energy requirements, to comply with statutory and regulatory guidelines by giving detailed proof of efficiency and performance.

- Environmental factors like ozone depletion and global warming and available innovative renewable energy options has resulted in increased awareness about effective energy consumption and also seeded various green initiatives.

Company's Strengths

- **Brand Presence:** 'Perfect Infra' represents a brand in the market we operate in. Our service offerings coupled with technical know-how, competitive fees, execution capabilities and track record of over a decade has provided us with a brand recognition and credibility. Our recognition and acceptance has significantly contributed to the success of our business.
- **Ability to undertake complex projects:** We, over the period, have acquired skills to undertake and manage complex projects across the sectors. Such complexity includes geographical expansions, procurement planning, human resource management, etc. We are also one of the few companies approved by Central Public Works Division (CPWD) of India (Class B) for both HVAC and electrical which enables us to bid for government projects. Such projects include Mantralaya (Govt. of Maharashtra), IIT Bombay, Indian Institute of Information Technology, Design and Manufacturing (IIITDM), All India Radio (Bhopal), Indian Institute of Science Education and Research IISER (Pune). This has helped our team to increase its efficacy towards complicated process and techniques involved in installation and commissioning projects of large scale.
- **Experienced Promoter & Management:** Promoter Chairman & Managing Director, Mr. Nimesh Mehta, who is a mechanical engineer, has experience of more than 20 years in the HVAC industry and is well acquainted with the dynamics of the industry. In addition, the middle management team, skilled work force and marketing personnel provide the company with the depth needed to manage growth.
- **Overseas Presence:** Leveraging its execution capabilities in the HVAC segment, Perfect Infra has become an established player in geographies outside India such as Nigeria and Tanzania. It has already completed projects for companies in pharmaceutical and medical diagnostic sectors in these places. We continue to focus on further penetrating these markets and plans to execute turnkey MEP projects.
- **Panel manufacturing unit:** Your company's wholly-owned subsidiary viz. Perfect Control Panels Pvt. Ltd has set up a facility for manufacturing/assembly of electric panels required for the MEP projects executed by our Company and also for sale to the third parties/ customers. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to an increased profitability for our company in the years to come. Company has successfully completed trial production of Solar Thermal Panel.

BUSINESS STRATEGY

We believe that adapting to market changes is a key factor required for the growth of any business. Hence, we continually monitor opportunities to grow our business. To achieve these goals, we intend to pursue the following principal strategies to optimize our competitive strengths:

- *Focus on HVAC Contracts & Hybrid Thermal System Business:* We intend to continue our focus on our core expertise. Company is creating a dealer network and training them to sell Hybrid Thermal System. Company has also registered Solar Thermal Panel with various consultants and there is a cautious approach from consultants and the acceptance is fairly good. Consultants have initiated use of this Hybrid Thermal System at tender level in new upcoming projects.
- *Registration in government sectors:* The product has been accepted well in PWD, Maharashtra. Encouraging results at test site has resulted in good level of enquiry from PWD, Maharashtra. Company plans to repeat this procedure in the State of Madhya Pradesh and Gujarat immediately.

- Entry into manufacturing: Through our subsidiary Perfect Control Panels Pvt. Ltd we have ventured into manufacturing of electric control panels. This complements our contracting business which involves supply and installation of HVAC and Hybrid Thermal systems and related electric equipment.
- Increasing our geographical reach: HVAC markets have shown increased growth with many projects coming up in real estates and infrastructural developments. With thrust in the development of core infrastructure, we believe there are ample opportunities available for us to cater to the ever expanding requirement. Accordingly, we propose to venture out in other new geographic locations in India, Middle East as well as Africa.
- Focus on Cordial relations with our Suppliers, Customers and employees: We believe in developing and maintaining long term sustainable relationships with our suppliers, consumers and employees which will enable us to achieve our goals particularly, to get repeat orders and also entering into new markets. We offer our services at competitive prices, which will help us, achieve consumer satisfaction and build long term relationships.

NEW PRODUCT

- License Agreement

Perfect Infraengineers Limited (Perfect) has signed a License, Development and Supply Agreement with SunTrac Solar Manufacturing LLC (SunTrac), a Wyoming Limited Liability company having its principal office at Arizona, USA.

SunTrac has developed a proprietary solar thermal technology that integrates with heating, ventilation and air conditioning (HVAC) and refrigeration devices reducing compressor electricity consumption by up to 40% and posses U.S. patent for the technology.

The agreement grants 'Perfect' an exclusive non transferable right & licenses under the SunTrac IPR to exploit SunTrac products which has been modified or customized by 'Perfect' using any SunTrac proprietary components for commercial sales to its customers. The agreement also grants 'Perfect' an exclusive non transferable royalty-free right and license to use SunTrac's proprietary Trademarks and also an exclusive non transferable right and limited licenses to SunTrac's licensed software.

The said collaboration paves the way to introduce 'Perfect SunTrac Hybrid Thermal System' with smart solar panel in India for a revolutionary, cleaner & greener way of installing and operating HVAC systems. The technology will increase HVAC system efficiency and reduce operating expenses by replacing a percentage of mechanical energy required to power a compressor, thereby saving electricity, with modulated solar thermal energy. The SunTrac's technology converts sun's energy to heat, the ultimate renewable source, as against a photovoltaic electric panel system.

With the collaboration 'Perfect' will be the only manufacturing unit of SunTrac outside U.S.A. All orders of Middle East regions, Australia & Asia will be supplied from existing Perfect's manufacturing facility at Navi Mumbai.

By partnering with SunTrac for bringing highly sophisticated solar thermal technology, 'Perfect' would be able to enhance its products range and services to existing as well as new HVAC clients. The commercial production for the Hybrid Thermal System will commence in 3 months.

The successful implementation/installation of these hi-tech products is likely to alter the landscape of HVAC systems in India. The initial period of the agreement is 5 years renewable on completion of the said period.

- Product Details

Groundbreaking technology has changed the way solar thermal energy is harvested and implanted. The Patented computer controlled parabolic concentrator produces more energy than any other panel of the same size.

This technology has solved two major issues with solar thermal panels; degradation and stagnation. Current solar thermal panels cannot regulate the amount of heat being added to a working fluid or gas. When systems are not in use they can cause extreme heat buildup and even damage the coatings of an evacuated tube panel. When integrated with HVAC equipment this could cause severe damage to the refrigerant which may cause the compressor to fail.

Perfect Provides ready to install systems with solar collector with pre-installed smart controls. The Smart Panel has provided the solutions by controlling the heat that the solar thermal panels generate. The patented panel design utilizes RiteTemp™ technology which modulates the temperature of the liquid or gas as it exits the panel.

The solar option is equally innovative offering up to 40% energy savings with as little as a 4*8 Panel.

The product was 1st tested at our very own factory at Rabale, Navi Mumbai. The said panels were installed on our factory terrace and it was observed that the A/c's installed in the 3 storey building was working solely on Solar energy, thereby saving electricity cost upto 40%.

The product was later tested by Intertek, which is a UK based company that specializes in testing, inspecting and certifying products. It provides Total Quality Assurance to industries worldwide. Intertek has certified that our new product saves up to 40% energy.

The product was also tested by entities like Mantralaya(PWD) and Siemens Limited. These entities have given a report stating that the said product saves at least 30% energy.

The manufacturing of the product was started in the second half of 2017 at our factory in Rabale, Navi Mumbai.

The Company has joined hands with various dealers and has subsequently obtained few strategic businesses for sale of our new product.

The Company is also in the process of getting its product registered in GRIHA (Green Rating for Integrated Habitat Assessment) in two categories i.e. Solar Thermal Panel and Hybrid Thermal System.

Solar Thermal Panel – It is a Supplying, Installation, Testing & Commissioning of Hybrid Climatesolar smart Panel Systems consisting of tracking parabolic consentrative solar reflectors, Painted Aluminium enclosure, 24V Power Systems, removable safety glass cover, selectable Refrigerant type temperature control with temperature sensors, computer controller and motor assembly.

Hybrid Thermal System- It includes a) indoor units as per the site requirement, b)modified VRV outdoor units c) Solar Thermal Panel; when all these units are interconnected as per the design, it will be termed as Hybrid Thermal System.

GRIHA is a rating tool that helps people assesses the performance of their building against certain nationally acceptable benchmarks. It evaluates the environmental performance of a building holistically over its entire life cycle, thereby providing a definitive standard for what constitutes a 'green building'. The rating system, based on accepted energy and environmental principles, will seek to strike a balance between the established practices and emerging concepts, both national and international.

Internationally, voluntary building rating systems have been instrumental in raising awareness and popularizing green design.

This tool has been adopted by the Ministry of New and Renewable Energy. This tool, by its qualitative and quantitative assessment criteria, is able to 'rate' a building on the degree of its 'greenness'.

For and behalf of the Board

Sd/-

Nimesh Mehta
Director
DIN:00247264

Manisha Mehta
Director
DIN: 00247274

Mumbai
3rd September, 2018

CORPORATE GOVERNANCE REPORT

- I.** The Company's Code of Corporate Governance permeates in all aspects of its working and towards maximizing the Shareholders' value. The Company believes that good corporate governance system enables it to retain the trust of the Members.

The code of conduct and governance lays strong emphasis on transparency, accountability, community engagement and quick business decisions.

The Company has taken several initiatives towards maintaining good corporate governance system. The Audit Committee and the Nomination and Remuneration Committee of the Board consist wholly of Independent Directors.

The Company has amended various norms in line with the provisions of the Companies Act, 2013 and has ensured effective Corporate Governance practices and timely disclosure of information to the Members.

The Company has adopted various codes and policies which include Code for Board of Directors, Code of Conduct to regulate, monitor and report trading by Insiders, Code of practices and procedures for fair disclosure of unpublished price sensitive information, Whistle Blower Policy, Policy on Prevention of Sexual Harassment in the Workplace, Corporate Social Responsibility Policy and Risk Management Policy.

II. BOARD OF DIRECTORS

The Board of Directors of the Company consists of optimum combination of Executive and Non-Executive Directors. As at 31st March, 2018, the Company's Board had 4 Directors, of which two were Executive Directors, and two Independent Directors. The composition of the Board and category of Directors were as follows:

| Category | Name of Director & Designation | DIN |
|--|--------------------------------|----------|
| Promoters & executive Directors | Mr. Nimesh Natvarlal Mehta | 0024264 |
| | Mrs. Manisha Nimesh Mehta | 0024274 |
| Independent Directors | Mr. Vinay Raghunath Deshmukh | 07153755 |
| | Mr. Bhanu Pratap Singh* | 07182170 |
| | Mr. Pradeep Shrirang Bhavé* | 06757517 |
| | Mr. Moiz Mohsin Miyajiwala* | 00026258 |

* Mr. Pradeep Shrirang Bhavé resigned w.e.f. 27th January, 2018.

* Mr. Moiz Mohsin Miyajiwala was appointed on 21st July, 2017 and he resigned w.e.f. 27th January, 2018.

* Mr. Bhanu Pratap Singh is appointed on 21st March, 2018.

The details of Directorship held in other Companies/Board Committees by each Member of the Board of Directors of the Company as on 31st March, 2018 were as under –

| Sl.no | Name of the Director | Number of Directorship held in other Companies | Number of Board Committee Memberships / Chairmanships held in other Companies | |
|-------|-----------------------------|--|---|--------------|
| | | | Membership | Chairmanship |
| 1 | Mr. Nimesh Mehta | 1 | 1 | 0 |
| 2 | Mrs. Manisha Mehta | 1 | 1 | 0 |
| 3 | Mr. Pradeep Bhavé* | 1 | 1 | 0 |
| 4 | Mr. Vinay Deshmukh | 0 | 0 | 0 |
| 5 | Mr. Moiz Mohsin Miyajiwala* | 3 | 3 | 0 |
| 6 | Mr. Bhanu Pratap Singh | 0 | 0 | 0 |

Notes:

- 1) *None of the Directors hold chairmanship of the Board Committees in excess of the maximum ceiling of five and Membership in excess of the maximum ceiling of ten as specified in Clause 52 of the SME Listing Agreement with NSE.*
- 2) *For the purpose of reckoning the ceiling, Chairmanship/Membership of the Audit Committee and the Shareholders' and Investors' Grievance Committee alone has been considered and Directorship in Private Limited Companies, Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013 has not been considered.*
- 3) *Including Directorship in Perfect Infraengineers Limited's subsidiary.*

Relationship between Directors

None of the Directors has any family relationships among them, save and except Mr. Nimesh Mehta who is the Husband of Mrs. Manisha Mehta and Brother of Mrs. Sharmila Singh.

Shareholding of Directors

None of the Directors have any shareholding in our Company as on 31st March, 2018 except as disclosed below:

| Sl. No. | Name of the Director | No. of Shares | % of Equity Share Capital |
|---------|----------------------------|---------------|---------------------------|
| 1 | Mr. Nimesh Natvarlal Mehta | 2566053 | 27.17 |
| 2 | Mrs. Manisha Nimesh Mehta | 1953832 | 20.69 |

Meetings and Attendance

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

During the year, the Board met 6 times. The meetings of the Board of Directors were held on 26th May 2017, 19th July 2017, 26th July 2017, 30th August 2017, 14th November 2017, 21st March 2018. The attendance of each Director at the Board Meetings and at the last Annual General Meeting is as under:

| Sl. No. | Name of the Director | No. of Board Meetings held | No. of Board Meetings attended | Attended last Annual General Meeting held on 27 th September, 2017 |
|---------|------------------------------|----------------------------|--------------------------------|---|
| 1 | Mr. Nimesh Natvarlal Mehta | 6 | 5 | Yes |
| 2 | Mrs. Manisha Nimesh Mehta | 6 | 6 | Yes |
| 4 | Mr. Pradeep Shrirang Bhavé* | 6 | 5 | Yes |
| 5 | Mr. Vinay Raghunath Deshmukh | 6 | 4 | Yes |
| 6 | Mr. Moiz Mohsin Miyajiwala* | 6 | 2 | Yes |
| 5 | Mr. Bhanu Pratap Singh* | 6 | 0 | No |

III. COMMITTEES

i) Audit Committee

In terms of provisions of Clause 52 of the SME Listing Agreement with NSE, the Audit Committee of the Board of Directors was constituted on 10th April, 2015. The Committee consists of three Independent Directors. The status of the Independent Directors and attendance at the meetings were as follows:

| Sl.No. | Name of the Member | Status | No. of meetings held | No. of meetings attended |
|--------|-----------------------------|--------------------------------|----------------------|--------------------------|
| 1 | Mr. Pradeep Bhavé* | Independent Director, Chairman | 4 | 4 |
| 2 | Mr. Vinay Deshmukh | Independent Director, Member | 4 | 3 |
| 3 | Mrs. Manisha Mehta | Director, Member | 4 | 4 |
| 4 | Mr. Moiz Mohsin Miyajiwala* | Independent Director, Member | 4 | 2 |
| 5 | Mr. Bhanu Pratap Singh | Independent Director, Member | 4 | 0 |

* Mr. Pradeep Shrirang Bhavé resigned w.e.f. 27th January, 2018.

* Mr. Moiz Mohsin Miyajiwala was appointed on 21st July, 2017 and he resigned w.e.f. 27th January, 2018.

*Mr. Bhanu Pratap Singh is appointed on 21st March, 2018.

The Company Secretary acts as the Secretary of the Committee. Meetings of the Audit Committee of the Board were held on 26th May, 2017, 30th August, 2017, 14th November, 2017 and 21st March, 2018.

Terms of Reference

The principal terms of reference of the Audit Committee are as follows:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the Management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the Financial Statements arising out of audit findings, compliance with listing and other legal requirements relating to Financial Statements.
 - e. Disclosure of any related party transactions.
 - f. Qualifications in the draft audit report.
5. Reviewing, with the Management, the half-yearly Financial Statements before submission to the Board for approval.
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
7. Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with Internal Auditors any significant findings and follow-up thereon.
10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. To review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
17. Any other terms of reference as contained in the Companies Act, 2013.

ii) Nomination and Remuneration Committee

In terms of provisions of Clause 52 of the SME Listing Agreement with NSE, the Compensation/Nomination and Remuneration Committee of the Board was formed on 10th April, 2016 and the Committee consists of three Independent Directors. The Committee was re-designated as below. The status of the Independent Directors and attendance at the meetings was as follows:

| Sl. No | Name of the Member | Status | No. of meetings held | No. of meetings attended |
|--------|-----------------------------|--------------------------------|----------------------|--------------------------|
| 1 | Mr. Pradeep Bhavé* | Independent Director, Chairman | 5 | 5 |
| 2 | Mr. Vinay Deshmukh | Independent Director, Member | 5 | 4 |
| 3 | Mr. Moiz Mohsin Miyajiwala* | Independent Director, Member | 5 | 4 |
| 4 | Mrs. Manisha Mehta | Executive Director | 5 | 1 |
| 5 | Mr. Bhanu Pratap Singh* | Independent Director, Member | 5 | 0 |

* Mr. Pradeep Shrirang Bhavé resigned w.e.f. 27th January, 2018.

* Mr. Moiz Mohsin Miyajiwala was appointed on 21st July, 2017 and he resigned w.e.f. 27th January, 2018.

*Mr. Bhanu Pratap Singh is appointed on 21st March, 2018.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 26th May, 2017, 26th July, 2017, 14th November, 2017 and 21st March, 2018.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the following:

1. Recommending /reviewing remuneration of the Managing Director and Whole-time Directors as also of Non-executive Directors based on their performance and defined assessment criteria;
2. Determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
3. Determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
4. Reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
5. Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
6. Determining policy on service contracts, notice period, severance fees for Directors and Key Managerial person;
7. Evaluating each Director's performance and performance of the Board as a whole.
8. Carrying out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

Directors' Appointment Criteria/Policy

The Board of Directors is collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identification, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

1. Composition of the Board which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
2. Desired age and diversity on the Board;
3. Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with requirements of the law;
4. Professional qualifications, expertise and experience in specific area of business;
5. Balance of skills and expertise in view of the objectives and activities of the Company;
6. Avoidance of any present or potential conflict of interest;
7. Availability of time and other commitments for proper performance of duties; and
8. Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency and pioneering mindset.

Remuneration Policy

1. The reward policy of the Company shall be to pay market competitive reward with a strong linkage to performance, which ensures the effective recognition of performance and encourages a focus on achieving the operational results.
2. The appointment and remuneration of the Executive Directors and Key Managerial Personnel are by virtue of their employment with the Company as management employees and therefore their terms of employment viz. salary, variable pay, service contract, notice period and severance fee, if any, shall be governed by the applicable HR policies at the relevant period. The total reward package for Executive Directors, Key Managerial Personnel and Senior Management are intended to be market competitive with a strong linkage to the performance.

Details of Remuneration paid to the Directors for the year 2017-18 were as follows:

| Name of Director | Sitting Fee | Salary | Contribution to Statutory & Other Funds | Performance Linked Incentive | Total |
|--|--------------------|---------------|--|-------------------------------------|--------------|
| Promoters / executive Directors | | | | | |
| Mr. Nimesh Mehta | - | 1,467,400 | | | 1,467,400 |
| Mrs. Manisha Mehta | - | 1,350,000 | - | - | 1,350,000 |
| Independent Directors | | - | - | - | - |
| Mr. Pradeep Bhawe | 70,000 | - | - | - | 70,000 |
| Mr. Vinay Deshmukh | 40,000 | - | - | - | 40,000 |
| Mr. Moiz Mohsin Miyajiwala | 20,000 | - | - | - | 20,000 |

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company except services rendered in professional capacity. The Company has not granted any stock option to any of its Non-Executive Directors

iii) Stakeholder Relationship Committee

In terms of provisions of Clause 52 of the SME Listing Agreement with NSE, Shareholders' and (Clause 52 of the SME Listing Agreement applicable w.e.f. 30.11.2015)

Stakeholder Relationship Committee of the Board was formed on 23rd May 2015, and the Committee consists of three Directors. The status of the Directors and their attendance at the meetings were as follows:

| Sl. No. | Name of the Member | Status | No. Of meetings held | No. Of meetings attended |
|---------|------------------------|--------------------------------|----------------------|--------------------------|
| 1 | Mr. Pradeep Bhawe* | Independent Director, Chairman | 3 | 3 |
| 2 | Mr. Nimesh Mehta | Managing Director, Member | 4 | 4 |
| 3 | Mrs. Manisha Mehta | Promoter & Non-executive Non- | 4 | 4 |
| 4 | Mr. Bhanu Pratap Singh | Independent Director, Member | 4 | 0 |

* Mr. Pradeep Shrirang Bhawe resigned w.e.f. 27th January, 2018.

*Mr. Bhanu Pratap Singh is appointed on 21st March, 2018.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Stakeholder Relationship Committee of the Board of Directors were held on 26th May, 2017, 26th July, 2017, 14th November, 2017 and 21st March, 2018.

Terms of Reference

The terms of reference of the Stakeholder Relationship Committee, include the oversight and review of all matters connected with the transfer of securities of the Company, approval of the issue of duplicate certificate, monitoring redressal of investors/shareholder grievances related to transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividend. The Committee has to monitor the performance of Registrar and Share Transfer Agent, recommend methods to upgrade the standard of services to the investors, and monitor implementation of and compliance with the Code of Conduct to regulate, monitor and report trading by Insiders.

Name and designation of Compliance Officer

Ms. Poonam Maurya is the Company Secretary and Compliance Officer of the Company.

Investor Grievance Redressal:

During the Financial Year 2017-18, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2018.

V. GENERAL BODY MEETINGS

(i) Details of last three Annual General Meetings held

The dates and times of the Annual General Meetings held during the preceding three years and the details of Special Resolution(s) passed are as follows:

| Year | Date | Time | Location | Special Resolutions Passed |
|-------------|----------------------------------|-------------|---|--|
| 2016-17 | 27 th September, 2017 | 10.30 A.M. | THE HOTEL TIP TOP PLAZA JASMINE HALL 3 RD FLOOR NEAR CHECK NAKA L.B.S MARG OPPOSITE TO RAHEJA GARDEN SOCIETY THANE (W) 400602 | Regularization of Independent Director Approval for issue, offer and allotment of equity shares to non-promoter on preferential basis |
| 2015-16 | 12 th December, 2016 | 10.30 A.M. | THE HOTEL TIP TOP PLAZA DAFFODIL HALL 3 RD FLOOR NEAR CHECK NAKA L.B.S MARG OPPOSITE TO RAHEJA GARDEN SOCIETY THANE (W) 400602 | NIL |
| 2014-15 | 21 st September 2015 | 11.00 AM | PLOT NO.R-637, TTC INDUSTRIAL AREA, MIDC, RABALE, NAVI MUMBAI 400 701 | Appointment of Independent Director |
| 2013-14 | 30 th September, 2014 | 11.00 AM | 59/4, ODHAV ASHISH JANARDHAN PARK, RAGHUNATH NAGAR, THANE 400604 | Adoption of new set of Articles of Association of The Company |

(ii) Special Resolution, if any, passed through postal ballot- details of voting pattern:

The Company did not pass any special resolution during the Financial Year 2017-18 under review.

(iii) Special Resolution proposed to be conducted through postal ballot:

None of the business proposed to be transacted in the ensuing Annual General Meeting requires Special Resolution through postal ballot.

V. DISCLOSURES

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Issuer at large.

None of the related party transactions were in potential conflict with the interest of the Company at large. Shareholders can refer to the details of Related Party Transactions as set out in Note 28 of the Financial Statements.

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

The Company has complied with all the laws relating to Capital Markets; hence there is no non-compliance by the Company in this regard. No penalties / strictures have been imposed by Stock Exchange or SEBI during the last three years.

Whistle Blower policy and affirmation that no person has been denied access to the Audit Committee

The Company has formulated and implemented the Whistle Blower Policy ("the Policy") and the Policy has been disseminated to all the employees through display on Notice Board and website.

This Policy provides for a mechanism to all the employees of the Company, who are free to report to the designated Whistle Blower Committee if there is any violation of laws, rules, regulations or any alleged wrongful conduct.

It is further affirmed that no personnel has been denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 52.

The Company has complied with all the mandatory requirements of Clause 52 of SME Listing Agreement with NSE and has adopted the following non-mandatory requirements of Clause 52:

Nomination and Remuneration Committee

As already stated, the Company has constituted Compensation / Nomination and Remuneration Committee and it consists of three Independent Directors. The main function of the Committee is to recommend the Policy on Directors' appointment and Remuneration to Directors, and Key Managerial Personnel and to review/recommend the remuneration of the Managing Director, Whole-time Directors and Non-Whole-time Directors based on their performance and defined assessment criteria.

Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013, all Companies having a net worth of Rs. 500 Crore or more or turnover of Rs. 1,000 Crore or more or a net profit of Rs. 5 Crore or more during any Financial Year are required to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors at least one of whom shall be Independent Director. As our Company's net worth, turnover and net profit is not more than prescribed limit so it's not required to have a Corporate Social Responsibility Committee.

Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Accordingly, the

meeting of independent directors, without attendance of non-independent directors and members of the Management, will be held in current year and reviewed the performance of the Chairperson, non-independent directors and the Board as a whole, the flow of information between the Company management and the Board.

WHISTLE BLOWER POLICY

The Company has adopted the Whistle Blower Mechanism for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of law and it provides for a mechanism for employees to report to the designated Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Designated Exclusive email-id

The Company has designated email-id for investor servicing, viz., mm@perfectinfra.com and poonam@perfectinfra.com

VI. MEANS OF COMMUNICATION

(i) Yearly/ Half-yearly Results

The Yearly/half-yearly results of the Company are submitted to the Stock Exchange in accordance with the SME Listing Agreement and these results are displayed on the Stock Exchange website.

(ii) Dissemination of information through Website

The results of the Company are also displayed on the Company's website "www.perfectinfa.com" immediately after its submission to the Stock Exchange.

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (Day, Date, Time and Venue)

29th day, September, 2018 at 10.30 AM

Financial Year: April to March

Dividend Payment: There is no dividend declared in this Financial Year.

Listing on Stock Exchanges & Stock Code:

| Shares | Code | Stock Exchanges |
|---|---------|---|
| EQUITY SHARES LISTED UNDER CONTINUOUS MARKET | PERFECT | National Stock Exchange of India Limited - SME Platform (NSE Emerge) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. Trading Symbol – PERFECT – SM ISIN : INE925S010 |

Note: Annual listing fees have been duly paid to the National Stock Exchange of India Ltd. (NSE) and no amount is outstanding as on date.

Registrar and Transfer Agents:

Karvy Computershare Private Limited,
Karvy selenium
Tower B, Plot number 31 & 32,
Financial District Gachibowli,
Hyderabad – 500 032
SCORES Registration No.P00822

Share Transfer System: The power to transfer shares has been delegated to the Registrar and Transfer Agents, Karvy Computershare Private Limited, subject to completion of transfer of physical shares within the time frame as prescribed under the applicable laws.

Distribution of Shareholding as on 31st March, 2018:

| Sno | Category | Cases | % of Cases | Amount | % Amount |
|-----|----------------|------------|---------------|--------------------|---------------|
| 1 | 5001 - 10000 | 2 | 0.88 | 15640.00 | 0.02 |
| 2 | 10001 - 20000 | 4 | 1.77 | 62230.00 | 0.07 |
| 3 | 20001 - 30000 | 1 | 0.44 | 25980.00 | 0.03 |
| 4 | 30001 - 40000 | 1 | 0.44 | 34020.00 | 0.04 |
| 5 | 40001 - 50000 | 6 | 2.65 | 300000.00 | 0.32 |
| 6 | 50001 - 100000 | 143 | 63.27 | 8597830.00 | 9.10 |
| 7 | 100001 & ABOVE | 69 | 30.53 | 85416890.00 | 90.43 |
| | Total: | 226 | 100.00 | 94452590.00 | 100.00 |

Shareholding Pattern as on 31st March, 2018:

| S. no. | Description | Cases | Shares | % Equity |
|--------|----------------------|------------|----------------|---------------|
| 1 | BANKS | 1 | 72000 | 0.76 |
| 2 | EMPLOYEES | 8 | 904000 | 9.57 |
| 3 | H U F | 20 | 767481 | 8.13 |
| 4 | BODIES CORPORATES | 18 | 1112751 | 11.78 |
| 5 | NBFC | 1 | 12000 | 0.13 |
| 6 | NRI NON-REPATRIATION | 1 | 6000 | 0.06 |
| 7 | PROMOTERS GROUP | 3 | 35287 | 0.37 |
| 8 | PROMOTER INDIVIDUALS | 2 | 4519885 | 47.85 |
| 9 | RESIDENT INDIVIDUALS | 170 | 1571855 | 16.64 |
| 10 | VENTURE CAPITAL | 2 | 444000 | 4.70 |
| | Total: | 226 | 9445259 | 100.00 |

Dematerialisation of Shares and Liquidity as on 31st March, 2018:

| S. no. | Description | No of Holders | Shares | % To Equity |
|--------|---------------|---------------|----------------|---------------|
| 1 | PHYSICAL | 8 | 77564 | 0.82 |
| 2 | NSDL | 106 | 6405224 | 67.81 |
| 3 | CDSL | 112 | 2962471 | 31.36 |
| | Total: | 226 | 9445259 | 100.00 |

The company's Equity Shares are regularly traded on NSE-SME Exchange.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Applicable

Plant Locations and Research & Development Centre:

| | |
|--|---|
| CORPORATE OFFICE 168, Bhanusali Chambers, SantTukaram Road, Masjid Bandar (E), Mumbai - 400 009 | FACTORY R 637 TTC Industrial Area MIDC Rabale, Navimumbai |
| EASTERN SUBURB C/303, Kailash Esplanade, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086 | NORTH SUBURB 59 / 4, OdhavAshish, Janardhan Park, Raghunath Nagar Thane (West) - 400 604 |
| HYDERABAD 2/A/242, Road No.18 Opp. Jubilee Hills Police Station Jubilee Hills Hyderabad - 500 033 | GHAZIABAD G-12, Plot No 1, EDM Complex, Kaushambhi Ghaziabad |

Investor Contacts

Company Secretary and Compliance Officer

Ms. Poonam Maurya,
168, Bhanusali Chambers,
Sant Tukaram Road, Masjid Bandar (E)
Mumbai - 400 009
Tel: + 91 022 2500 2538.
E-mail: poonam@perfectinfra.com

Registrar and Share Transfer Agents

Karvy Computershare Private Limited,
Karvy selenium
Tower B, Plot number 31 & 32 , Financial District
Gachibowli, Hyderabad – 500 032
SCORES Registration No.P00822

For and behalf of the Board

Sd/-

Nimesh Mehta
Director
DIN:00247264

Manisha Mehta
Director
DIN:00247274

Mumbai
3rd September, 2018



**STANDALONE FINANCIAL
STATEMENT
FY 2017-18**



INDEPENDENT AUDITORS REPORT

To the Members of PERFECT INFRAENGINEERS LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of PERFECT INFRAENGINEERS Limited ('the Company') which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss account and Cash Flow Statement for the year then ended and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 materials misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and the Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018, its Profit and its Cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclose in the '**Annexure A**', a statement on the matters specified in paragraph 3 & 4 of the said order.
8. As required by Section 143 (3) of the Act, we further 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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) We have received the written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, that the Directors are not disqualified as on 31st March 2018 from being appointed as a directors in terms of section 164(2) of the Act.
 - f) A separate Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the companies Act, 2013 ("the Act")- is enclosed as '**Annexure B**' to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does have the pending litigations which would impact its financial position and it has been disclosed in the Note No of 30 Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts outstanding as at 31st March 2018 for which there were any material foreseeable losses.



- i. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s JCR & Co.
CHARTED ACCOUNTANTS
FRN 105270W**

Sd/-

**CA. Mitesh Chheda
Mem.No. 160688**

**Place: Mumbai
Date: 03.09.2018**



Annexure A referred to in paragraph 7 of our Report of even date to the Members of PERFECT INFRAENGINEERS Limited on the Standalone financial statements of the Company for the year ended 31st March 2018.

On the basis of such checks as we considered appropriate and/or according to the information and explanations given to us during the course of our audit, we report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds comprising the immovable properties are held in the name of the Company.
- ii. As explained to us the Inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification. The discrepancies noticed on verification were not material and the same have been properly dealt with.
- iii. The Company has not granted/taken any loans, secured or unsecured to/from companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence, the provisions of clause 3 (iii) of the order is not applicable.
- iv. According to the records of the company examined by us and as per the information and explanations given to us, the company has not granted any loans covered under section 185 and 186; investment made by the company is in compliance with the provisions of Section 186.
- v. According to the information and explanations given to us, the company has not accepted any deposits from the public during the year covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
 - a. According to the information and explanations given to us and based on the records of the company examined by us, except for Rs.67.53 Lakhs due towards TDS/ ESIC, PT and Service Tax (Details provided below), the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other material statutory dues to the extent applicable with the appropriate authorities

in India.

Details of Statutory Dues outstanding as on 31.03.2018:

| Particulars | Amount (Rs.) | Paid date |
|-----------------------------------|------------------|-----------|
| TDS | 6272176 | Not paid |
| ESIC Payable | 9,230 | 23.07.18 |
| Service Tax including KKC and SBC | 380651 | 11.06.18 |
| Professional Tax | 91325 | Not paid |
| Total | 67,53,382 | |

- b. According to the information and explanations given to us and based on the records examined by us there are no dues in respect of income tax, service tax, customs duty and excise duty which have not been deposited on account of any disputes.
- c. Details of dues of Central Sales Tax and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

| Name of Statute | Nature of Dues | Period to which the amount relates | Forum where dispute is pending | Amount Involved (Rs. in Lakhs) |
|---------------------|----------------|------------------------------------|--------------------------------|--------------------------------|
| Maharashtra Vat Act | VAT/CST | 2010-11 (order recd in March,2018) | Appeal filed before Tribunal | 90.22 |
| Maharashtra Vat Act | VAT/CST | 2013-14 (order recd in July,2018) | Appeal filed before Tribunal | 114.05 |

- viii. The company has not availed any loans or borrowings from government or debentures holders issued during the year. However, on the basis of our examination of the records of the Company, few delay in repayment of borrowings repayable on demand have arisen in case of Tata Capital services ltd for the month of Dec-17, Jan-18 and Feb-18. The amount of Rs.3,74,355 (Principal-3,63,850 + Interest 10,505) However, please note the above account has been settled & NOC has been received in August 2018.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year. Hence the provision of clause 3 (ix) of the Order is not applicable.
- x. During the course of our examination of the books and the records of the Company carried in accordance with the Auditing Standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such instance by the



Management.

- xi. According to the information and explanations given to us, the managerial remuneration paid/provided are in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence clause 3 (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us, the transactions entered with related parties are in accordance with the provisions of section 177 and 188 of the Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. The company has made any private placement of shares and has issued and allotted further equity shares to new members, in terms of provisions of Section 62 & section 42 of the Act, during the year under Audit and has complied with the requirements of that Section.
- xv. According to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him and hence paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/s JCR & Co.

CHARTERED ACCOUNTANTS

FRN: 105270W

SD/-

CA Mitesh Chheda

Partner

M.No. : 160688

Place: Mumbai

Date: 03.09.2018



'ANNEXURE B' referred to in paragraph 8(f) of our Report of even date to the Members of PERFECT INFRAENGINEERS Limited on the Standalone financial statements of the Company for the year ended 31st March 2018

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

We have audited the internal financial controls over financial reporting of PERFECT INFRAENGINEERS Limited as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following significant weakness has been identified as at 31st March, 2018:

a) The control mechanism in respect of recording of transactions needs improvement.

In our opinion, except for the possible effects of the significant weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2018, 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".

We have considered the weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2018 standalone financial statement of the Company, and the weakness will not affect our opinion on the standalone financial statements of the Company.

For M/s JCR & Co.
CHARTERED ACCOUNTANTS
FRN: 105270W

SD/-
CA Mitesh Chheda
Partner
M.No.: 160688
Place: Mumbai
Date: 03.09.2018

PERFECT INFRAENGINEERS LIMITED
Audited Standalone Balance Sheet as on 31th March,2018

| Particulars | Note no. | As at | |
|------------------------------------|----------|-----------------------|--------------------|
| | | As at 31th March,2018 | 31st March,2017 |
| | | Amount in (Rs.) | Amount in (Rs.) |
| I. EQUITY & LIABILITIES | | | |
| 1 Shareholder's Funds | | | |
| (a) Share capital | 2 | 94,452,590 | 77,094,080 |
| (b) Reserves and surplus | 3 | 88,330,038 | 55,139,791 |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 15,268,131 | 12,797,397 |
| (b) Deferred tax liability (net) | 5 | 2,529,594 | 2,401,386 |
| (c) Other long - term liabilities | 6 | 183,050 | 183,050 |
| (d) Long-term provisions | 7 | 1,515,047 | 2,417,069 |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | 8 | 87,981,815 | 81,151,779 |
| (b) Trade payables | 9 | 25,144,472 | 29,875,606 |
| (c) Other current liabilities | 10 | 32,991,477 | 27,419,268 |
| (d) Short-term provisions | 11 | 6,476,777 | 1,492,659 |
| TOTAL | | 354,872,989 | 289,972,084 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| <u>(a) Fixed assets</u> | | | |
| Tangible assets | 12 | 49,952,031 | 56,975,389 |
| Intangible assets | 12 | 217,643 | 387,195 |
| Capital Work In Progress | 12 | 43,701,503 | - |
| (b) Deferred Tax Asset | | | - |
| (b) Non Current Investments | 13 | 10,093,122 | 10,093,122 |
| (c) Long-term loans and advances | 14 | 9,482,460 | 2,499,746 |
| (d) Other non-current assets | 15 | 9,342,060 | 5,023,052 |
| 2 Current assets | | | |
| (a) Inventories | 16 | 52,760,959 | 51,935,722 |
| (b) Trade receivables | 17 | 69,414,300 | 81,284,967 |
| (c) Cash and bank balances | 18 | 9,761,413 | 6,369,375 |
| (d) Short-term loans and advances | 19 | 14,886,756 | 18,905,688 |
| (e) Other current assets | 20 | 87,206,665 | 56,497,827 |
| TOTAL | | 356,818,911 | 289,972,084 |

Significant Accounting Policies 1

Notes form an integral part of the financial statements 2 to 35

For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688
Place: Mumbai
Date: 03/09/2018

Nimesh Mehta
Chairman & Managing Director
DIN:00247264

Manisha Mehta
Director- Finance
DIN:00247274

Poonam Maurya
Company Secretary
ACS: A41916

PERFECT INFRAENGINEERS LIMITED
Audited Standalone Statement of Profit & Loss for year ended 31st March, 2018

| Particulars | Note No. | 31th March,2018 | 31st March,2017 |
|---|----------|--------------------|--------------------|
| | | Amount in (Rs.) | Amount in (Rs.) |
| I. Revenue from operations | 21 | 100,736,759 | 155,603,108 |
| II. Other Income | 22 | 6,279,351 | 2,780,195 |
| III. Total Revenue (I + II) | | 107,016,111 | 158,383,303 |
| IV. <u>Expenses:</u> | | | |
| Cost of Materials/Services Consumed | 23 | 41,791,471 | 79,160,296 |
| Employee benefits expense | 24 | 21,281,129 | 28,013,655 |
| Finance costs | 25 | 16,756,870 | 15,738,184 |
| Depreciation and amortization expense | 12 | 6,470,620 | 6,878,517 |
| Other expenses | 26 | 15,637,372 | 19,841,860 |
| Total Expenses | | 101,937,462 | 149,632,512 |
| V. Profit before tax (III- IV) | | 5,078,648 | 8,750,792 |
| VI. Tax Expense: | | | |
| (1) Current tax | | 1,269,662 | 3,069,314 |
| (2) Deferred tax Liability /(Asset) | | 128,208 | (151,486) |
| (3) Excess Provision of Previous Year | | - | - |
| | | 1,397,870 | 2,917,828 |
| VII. Profit (Loss) for the period (V-VI) | | 3,680,779 | 5,832,963 |
| VIII. Earnings per equity share: | 27 | | |
| Face value of Rs. 10 each | | | |
| -Basic and Diluted | | 0.45 | 0.76 |

Significant Accounting Policies

1

Notes form an integral part of the financial

2 to 35

For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner

M. No. 160688

Place: Mumbai

Date: 03/09/2018

Nimesh Mehta
Chairman & Managing Director
DIN:00247264

Manisha Mehta
Director- Finance
DIN:00247274

Poonam Maurya
Company Secretary
ACS: A41916

PERFECT INFRAENGINEERS LIMITED

Audited Standalone Cashflow Statement for the year ended 31st March,2018

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31 ,2017 |
|---|--------------------------------------|--------------------------------------|
| | Amount in (Rs.) | Amount in (Rs.) |
| CASH FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) before tax and extraordinary items: | 5,078,648 | 8,750,792 |
| Depreciation | 6,470,620 | 6,878,517 |
| Interest Income | (320,838) | (643,646) |
| Dividend Income | - | - |
| Profit on Sale of Investments | - | (214,682) |
| Provisions and credit Balances written back | (2,495,648) | 1,301,744 |
| Discount | (403,373) | - |
| (Profit)/Loss on sale of fixed assets | (2,459,492) | - |
| Provision for Gratuity written off | (1,011,251) | 390,000 |
| Interest on Borrowings | 16,756,870 | 15,738,184 |
| Share Issue Expenses W/off | 1,763,536 | 1,763,536 |
| Operating Profit before Working Capital changes | 23,379,072 | 33,964,446 |
| Adjustments for: | | |
| Inventories (Increase) / Decrease | (825,236) | (3,707,779) |
| Trade Receivables (Increase)/Decrease | 11,870,667 | 15,483,542 |
| Loans and advances (Increase) /Decrease | (2,988,728) | 8,943,026 |
| Other non current assets and Current Assets (Increase)/Decrease | (35,791,382) | (12,266,493) |
| Trade payables Increase / (Decrease) | (4,731,134) | (8,726,347) |
| Other current liabilities and provisions Increase/ (Decrease) | 5,687,980 | (20,244,003) |
| Cash generated from Operations | (3,398,761) | 13,446,391 |
| Direct taxes received / (paid) | 4,868,347 | 2,263,436 |
| Cash Flow from Operating Activities | 1,469,586 | 15,709,827 |
| Extraordinary items: | | |
| Extraordinary item | - | - |
| Net Cash from Operating Activities: (A) | 1,469,586 | 15,709,827 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchases of Fixed Assets \WIP\Capital Advance | (44,319,720) | (3,754,024) |
| Proceeds from Sale of Fixed Assets | 3,800,000 | - |
| Investments in Subsidiaries | - | (6,000) |
| Purchase of Investment | - | - |
| Sale proceeds from sale of shares | - | 1,234,734 |
| Dividend Income | - | 643,646 |
| Interest Income | 320,838 | - |
| Net cash generated from/(used in) investing activities (B) | (40,198,882) | (1,881,644) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Fresh Issue | 46,867,977 | - |
| Increase in Unsecured Lonas | 12,750,836 | - |
| Increase/(Decrease) in Loans from Bank (Net) | (3,450,066) | 5,240,658 |
| Interest /Finance Charegs paid | (16,756,870) | (14,816,859) |
| Dividend Paid / Dividend Distribution Tax Paid | - | (3,854,704) |
| Share issue Expenses | 763,536 | (597,494) |
| Fixed Deposit held with Bank as margin Money | (4,768,975) | (93,896) |
| Net cash received from/(used in) financing activities (C) | 35,406,438 | (14,122,295) |
| Net increase in cash and cash equivalents (A + B + C) | (3,322,858) | (294,112) |

| | | |
|---------------------------------------|-------------|-----------|
| | | |
| Cash and cash equivalents (Opening) | 1,504,021 | 1,798,134 |
| Cash and cash equivalents (Closing) | 127,085 | 1,504,021 |
| Cash and Cash equivalents as restated | (1,818,837) | 1,504,021 |
| | | |

1

(i) The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

(ii) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current year.

As per our Report of even date

**For JCR & Co.
Chartered Accountants
FRN : 105270W**

For and on behalf of the Board of Directors

**Mitesh D. Chheda
Partner
M. No. 160688
Place: Mumbai
Date: 03/09/2018**

**Nimesh Mehta Manisha Mehta
Chairman & Managing Direc Director- Finance
DIN:00247264 DIN:00247274**

**Poonam Maurya
Company Secretary
ACS: A41916**

PERFECT ENFRAENGINEERS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

The Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 2013.

2. Use of Estimate:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Revenue recognition:

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

- a. Revenue from Turnkey Contracts is recognized based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- c. Revenue from Services is recognized on performance of Service in accordance with the terms of contract with customers.
- d. Dividend income is recognized when the right to receive dividend is established.
- e. Income such as annual maintenance contracts, Interest, Lease Rentals is recognized as per contractually agreed terms on time proportion basis.

- f. Export benefits are accounted for in the year of exports, based on eligibility and when there is no uncertainty of receiving the same.
- g. Other income is recognized when the right to receive is established.

4. Fixed Assets, Intangible Assets and Capital Work in Progress:

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the asset put to use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Intangible Assets are stated at the cost of acquisition less accumulated amortization.

Capital Work In Progress includes cost of fixed assets that are not ready for their intended use as at the balance sheet date.

5. Depreciation:

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013 and In respect of additions to / deletion from the Fixed Assets, on pro rata basis.

Intangible assets are amortised over a period of 3 years.

6. Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

7. Investments:

Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if decline in the value of such investments is other than temporary.

8. Inventories:

- a. Inventories including Work-in-process and stores and spares are valued at the lower of cost and net realizable value.
- b. Cost of inventories is generally ascertained on first in first out basis.

9. Foreign currency transactions:

- a. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.
- c. In respect of transactions covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contract/s is amortized over the life of the contract.
- d. Non-monetary foreign currency items are carried at cost.
- e. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

10. Employee Benefits:

- a. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b. Post-employment and other long-term employee benefits are recognized as an expense at the present value of amount payable determined using actual arithmetical valuation basis in the Statement of Profit and Loss of the year in which the employee has rendered services.

11. Provision for Current and Deferred Tax:

- a. **Current Tax:** Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.
- b. **Deferred tax:** The differences that result between the profit / loss offered for income tax and the profit / loss as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

12. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. Borrowing Cost:

- a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset
- b. Other borrowing costs are recognized as expense in the period in which they are incurred.

14. Leases:

- a. Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.
- b. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

15. Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful trade receivables, loans and advances when the management considers trade receivables, loans and advances to be doubtful of recovery.

16. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

17. Cash & Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition.

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2018

NOTE 2: SHARE CAPITAL

| | 31st March,2018 | | 31st March,2017 | |
|---|------------------|-------------------|------------------|-------------------|
| | Number | Amount in (Rs.) | Number | Amount in (Rs.) |
| 2.1 Authorised | | | | |
| Equity Shares of Rs. 10 each | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| 2.2 Issued, Subscribed & Paid up | | | | |
| Shares at the beginning of the period | 7,709,408 | 77,094,080 | 7,709,408 | 77,094,080 |
| Add: Issued during the year | 1,735,851 | 17,358,510 | - | - |
| Add: Issued Bonus shares | - | - | - | - |
| Shares at the end of the period | <u>9,445,259</u> | <u>94,452,590</u> | <u>7,709,408</u> | <u>77,094,080</u> |
| 2.3 Reconciliation of Number of Shares | | | | |
| Outstanding at Beginning of the period | 7,709,408 | | 7,709,408 | |
| Add: Issued during the year for Cash | 1,735,851 | | - | |
| Add: Issued as Bonus Shares | - | | - | |
| Less: Shares Bought back during the period | - | | - | |
| Outstanding at the end of the period | <u>9,445,259</u> | | <u>7,709,408</u> | |
| 2.4 Aggregate Number of bonus shares issued, issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: | | | | |
| Equity Shares allotted as fully paid bonus shares by capitalization of security premium and free reserves | | | | <u>2,699,685</u> |

2.5 Details of Shareholder holding more than 5% shares

| Name of Shareholder | Number | % of Holding | Number | % of Holding |
|--------------------------|-----------|--------------|-----------|--------------|
| Mr. Nimesh Mehta | 2,566,053 | 27.16 | 2,566,053 | 33.28 |
| Mrs. Manisha Mehta | 1,953,832 | 20.68 | 2,433,832 | 31.34 |
| Manan Rajendra Doshi HUF | 491,481 | 5.20 | 438,000 | 5.68 |

2.6 Terms /Rights attached to the Equity Shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the company after distribution of all preferential amounts in proportion to the number of equity shares held.

Note 3: RESERVES & SURPLUS

| | 31st March,2018 | 31st March,2017 |
|---|-------------------|-------------------|
| | Amount in (Rs.) | Amount in (Rs.) |
| 3.1 General Reserve | | |
| Opening Balance | - | - |
| Add: Current Year Transfer | - | - |
| Less: Utilised for issue of Bonus Shares | - | - |
| Closing Balance | <u>-</u> | <u>-</u> |
| 3.2 Security Premium | | |
| Opening Balance | 33,852,000 | 33,852,000 |
| Add: Addition during current year | 29,509,467 | - |
| Less: Utilised for issue of Bonus Shares | - | - |
| Closing Balance | <u>63,361,467</u> | <u>33,852,000</u> |
| 3.3 Statement of Profit & Loss | | |
| Opening Balance | 21,287,792 | 15,454,828 |
| Add: Net Profit/(Net Loss) for the Period | <u>3,680,779</u> | <u>5,832,963</u> |
| | <u>24,968,571</u> | <u>21,287,791</u> |
| Less: Transferred to General Reserve | - | - |
| Less: Utilised for issue of Bonus Shares | - | - |
| Less: Proposed Dividend | - | - |
| Less :Provision for Dividend Distribution Tax | - | - |
| Closing Balance | <u>24,968,571</u> | <u>21,287,791</u> |
| | <u>88,330,038</u> | <u>55,139,791</u> |

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| Note 4: | LONG TERM BORROWINGS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|--|--|--|
| | (Secured) | | |
| | Term Loan | | |
| | - From Banks | | |
| | SIDBI (refer note 4.1 & 4.4) | - | 3,890,000 |
| | ICICI Bank (refer note 4.2 & 4.4) | - | 6,351,364 |
| | - From Others | | |
| | Mahindra and Mahindra Finance (refer note 4.3 & 4.4) | 9,258 | 47,996 |
| | (Unsecured) | | |
| | - From Banks | | - |
| | - From Others | | |
| | Loan from Directors (refer note 4.5) | 15,258,873 | 2,508,037 |
| | | 15,268,131 | 12,797,397 |

Term Loans from Banks & Financial Institutions are secured by way of :

- 4.1** a) Term loan from SIDBI secured by first charge on immovable property of the company located at Ghaziabad;
b) Term loan from SIDBI secured by charge on all the movable assets (including Current Assets);
c) Directors of the Company have extended Personal Guarantee.
- 4.2** a) Term Loans from ICICI Bank Rs. 2,57,53,875/- is secured by Equitable Mortgage of Plot owned by Company at Rabale and first charge on all of the companies
b) Exclusive charge by way of Hypothecation over all movable assets, present and future;
c) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Thane West and Village Dasse;
d) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
e) Directors of the Company have extended a Personal Guarantee.
- 4.3** a) Hypothecation of a Commercial vehicle.

4.4 Terms of Repayment verify

| Nature of Facility and Rate of Interest | Mar 2019 | Mar 2020 |
|--|-----------------|-----------------|
| Loan from SIDBI @ 13% | 882,000 | 588,000 |
| Loan from SIDBI @ 16% | 2,256,000 | 164,000 |
| ICICI Bank - 8.35Lacs @ 12% | 101,364 | - |
| ICICI Bank - 250Lacs @ 12.75% | 6,016,667 | 233,333 |
| Loan from Mahindra & Mahindra @ 14% | 47,996 | - |
| Tata Capital Finance Services @ 17.19% | 363,850 | - |

4.5 Loan from Directors are interest free loans and no specific terms of repayment are agreed upon between Directors and the Company

| Note 5: | DEFERRED TAX LIABILITIES (Net) | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|---------------------------------------|--|--|
| 5.1 | Deferred Tax Liability (A) | | |
| | Depreciation/Adjustment | 3,131,070 | 3,234,028 |
| | | 128,208 | |
| 5.2 | Deferred Tax Asset (B) | | |
| | On account of Disallowance U/s. 43 B | (729,684) | (832,643) |
| | | 2,529,594 | 2,401,386 |

| Note 6: | OTHER LONG TERM LIABILITIES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|------------------------------------|--|--|
| | Deposits from Customers | 183,050 | 183,050 |
| | | 183,050 | 183,050 |

| Note 7: | LONG TERM PROVISIONS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|-----------------------------|--|--|
| | Provision For Gratuity | 1,515,047 | 2,417,069 |
| | | 1,515,047 | 2,417,069 |

7.1 Gratuity payable is provided on Actuarial Valuation basis, However the company has not created any fund towards payment of same.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018
Note 8: SHORT TERM BORROWINGS

(Secured)

ICICI Bank (refer note 8.1)

The National Small Industries Corporation Ltd (refer note 8.2)

| 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|------------------------------------|------------------------------------|
| 61,634,498 | 61,855,761 |
| 26,347,317 | 19,296,018 |
| 87,981,815 | 81,151,779 |
| 87,981,815 | 81,151,779 |

8.1 Cash Credit facility from ICICI Bank is secured by :

a) Exclusive charge by way of Hypothecation over all movable assets, present and future;

b) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Thane West and Village Dasve and Equitable mortgage of Plot at Rabale;

c) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;

d) Directors of the Company have extended a Personal Guarantee.

8.2 The loan from National Small Industries Corporation Limited is secured by Bank Gurantee issued.

8.3 Mr. Nimesh Mehta and Mrs. Manisha Mehta, Directors of the Company have extended personal guarantee for Cash Credit facility from AXIS Bank.

Note 9: TRADE PAYABLES

Trade Payables-for Goods & Services
(Including acceptances)

| 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|------------------------------------|------------------------------------|
| 25,144,472 | 29,875,606 |
| 25,144,472 | 29,875,606 |

9.1 The balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

Note 10: OTHER CURRENT LIABILITIES

Current Maturities of Long Term Liabilities
(for security refer note 4.1 to 4.4)

Due to Bank

Interest Accrued and due

Interest Accrued but not due

Statutory Dues payable

Advance from Customers

Employee Benefit payable

Director Salary Payable

Gratuity Payable

Unearned Revenue

Book Overdraft

Other payables

| 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|------------------------------------|------------------------------------|
| 9,667,877 | 12,299,896 |
| - | 794,698 |
| - | 158,274 |
| - | 59,960 |
| 12,373,431 | 4,683,482 |
| 1,318,417 | 1,318,417 |
| 2,965,956 | 2,554,495 |
| 729,219 | - |
| 432,111 | 520,380 |
| 1,390,605 | 1,888,068 |
| 3,328,525 | 642,326 |
| 785,336 | 2,499,273 |
| 32,991,477 | 27,419,268 |

Note 11: SHORT TERM PROVISIONS

Proposed Account

Provision for Dividend Distribution Tax

Provision for Gratuity

Provision for Income Tax (Net of Advance Tax & TDS)

Provision for tax audit fees

Provision for Internal audit fees

| 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|------------------------------------|------------------------------------|
| - | - |
| - | - |
| 168,338 | 277,567 |
| 6,083,439 | 1,215,092 |
| 45,000 | - |
| 180,000 | - |
| 6,476,777 | 1,492,659 |

PERFECT INFRAENGINEERS LIMITED
Notes froming part of Financial Statements for theperiod ended 31 March , 2018
(Current Year)
Note: 12 TANGIBLE ASSETS

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | Net Block | Net Block |
|---|---------------------------|-------------------|-------------------|----------------------------|---------------------------|------------------|-------------------------|-----------------------|----------------------------|----------------------------|
| | Balance as on 1-Apr-17 | Addition year | Deduction year | Balance as on 31-Mar-18 | Balance as on 1-Apr-17 | For the year | Adjustment/ Deletion | Total Depreciation | Balance as on 31-Mar-18 | Balance as on 31-Mar-17 |
| TANGIBLE ASSETS | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (a) Buildings | | | | | | | | | | |
| Office Buildings | 8,724,460 | - | 2,202,510 | 6,521,950 | 2,143,595 | 320,488 | 862,003 | 1,602,080 | 4,919,870 | 6,580,865 |
| Factory Building | 35,867,700 | - | | 35,867,700 | 8,731,285 | 2,577,959 | | 11,309,244 | 24,558,456 | 27,136,415 |
| Guest House | 13,765,536 | - | - | 13,765,536 | 2,574,397 | 545,008 | - | 3,119,405 | 10,646,131 | 11,191,139 |
| (b) Plant & Equipments | | | | | | | | | | |
| Owned | 1,050,203 | | - | 1,050,203 | 606,019 | 80,397 | - | 686,416 | 363,787 | 444,184 |
| Owned, Given on Hire | 32,884,020 | 543,217 | - | 33,427,237 | 25,526,432 | 1,370,825 | - | 26,897,258 | 6,529,979 | 7,357,588 |
| (c) Furniture & Fixtures | 4,161,715 | | | 4,161,715 | 1,245,452 | 895,932 | - | 2,141,384 | 2,020,331 | 2,916,263 |
| (d) Vehicles | 3,849,101 | - | - | 3,849,101 | 2,712,819 | 291,570 | - | 3,004,389 | 844,712 | 1,136,282 |
| (e) Office Equipment | | | | | | | | | | |
| Office Equipment | 392,744 | | - | 392,744 | 352,094 | 35,250 | - | 387,344 | 5,400 | 40,650 |
| Computer | 2,318,305 | - | - | 2,318,305 | 2,146,302 | 108,637 | - | 2,254,939 | 63,366 | 172,003 |
| INTANGIBLE ASSETS | | | | | | | | | | |
| (a) Software | 951,392 | 75,000 | - | 1,026,392 | 564,197 | 244,552 | - | 808,749 | 217,643 | 387,195 |
| Work In Progress | | | | | | | | | | |
| (a) Technical know how fees(WIP) | - | 41,966,084 | - | 41,966,084 | | | | - | 41,966,084 | - |
| (b) Capital Wip | | 1,735,419 | | 1,735,419 | | | | | 1,735,419 | |
| TOTAL | 103,965,176 | 44,319,720 | 2,202,510 | 144,346,967 | 46,602,592 | 6,470,621 | 862,003 | 52,211,210 | 93,871,176 | 57,362,584 |
| Previous year | 100,211,152 | 3,754,024 | - | 103,965,176 | 39,724,075 | 6,878,517 | - | 46,602,592 | 57,362,584 | 60,487,077 |

Note: 12.1

Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets under Schedule II to the Act; accordingly depreciation is provided as per the rate and method prescribed under Schedule II of the Companies Act, 2013.

Note: 12.2

Depreciation on Technical know how capitalized under Intangible assets will be amortised in accordance with AS 26 considering its useful life to be five years .The amortisation will start with the acquisition of complete rights. Technical know how fees paid for acquiring licence rights of innovative HVAC products.

Note: 12.3

Capital WIP Includes R&D Expenditure for indigenisation of above innovative HVAC product.

Note:12.4

Depreciation of Rs. 862,003 provided earlier year is reverseddue to sale of one of the immovable property of the Company located at Thane .

Note:12.5

In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the previous year carried out an exercise of identifying assets that many have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2018.

Notes to financial statements for year ended 31st March, 2017

Note: 12 TANGIBLE ASSETS (Last Year)

| Name Of Asset | Gross Block As on 1-Apr-16 | Addition During the period | Deduction during the period | Gross Block As On 31-Mar-17 | Depreciation Upto 1-Apr-16 | Depreciation For the period | Transfer to Reserve | Depreciation Adjustment/ Deletion | Total Depreciation | Net Block As On 31-Mar-17 | Net Block As On 31-Mar-16 |
|--|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|---|-----------------------|---------------------------------|---------------------------------|
| <u>TANGIBLE ASSETS</u> | | | | | | | | | | | |
| <u>(a) Buildings</u> | | | | | | | | | | | |
| Office Buildings | 8,724,460 | - | - | 8,724,460 | 1,807,878 | 335,717 | - | - | 2,143,595 | 6,580,865 | 6,916,582 |
| Factory Building | 35,867,700 | - | - | 35,867,700 | 5,891,309 | 2,839,976 | - | - | 8,731,285 | 27,136,415 | 29,976,391 |
| Guest House | 13,765,536 | - | - | 13,765,536 | 2,003,401 | 570,996 | - | - | 2,574,397 | 11,191,139 | 11,762,135 |
| <u>(b) Plant & Equipments</u> | | | | | | | | | | | |
| Owned | 926,489 | 123,714 | - | 1,050,203 | 516,434 | 89,585 | - | - | 606,019 | 444,184 | 410,055 |
| Owned, Given on Hire | 32,039,388 | 844,632 | - | 32,884,020 | 23,866,128 | 1,660,304 | - | - | 25,526,432 | 7,357,588 | 8,173,260 |
| <u>(c) Furniture & Fixtures</u> | 1,539,575 | 2,622,140 | | 4,161,715 | 1,120,108 | 125,344 | - | - | 1,245,452 | 2,916,263 | 419,467 |
| <u>(d) Vehicles</u> | 3,849,101 | - | - | 3,849,101 | 2,320,699 | 392,120 | - | - | 2,712,819 | 1,136,282 | 1,528,402 |
| <u>(e) Office Equipment</u> | | | | | | | | | | | |
| Office Equipment | 392,744 | - | - | 392,744 | 321,012 | 31,082 | - | - | 352,094 | 40,650 | 71,732 |
| Computer | 2,229,767 | 88,538 | - | 2,318,305 | 1,876,368 | 269,934 | - | - | 2,146,302 | 172,003 | 353,399 |
| <u>INTANGIBLE ASSETS</u> | | | | | | | | | | | |
| <u>(a) Software</u> | 876,392 | 75,000 | - | 951,392 | 738 | 563,459 | - | - | 564,197 | 387,195 | 875,654 |
| TOTAL | 100,211,152 | 3,754,024 | 0 | 103,965,176 | 39,724,075 | 6,878,517 | - | 0 | 46,602,592 | 57,362,584 | 60,487,077 |
| Previous year | 97,392,283 | 3,691,969 | 873,100 | 100,211,152 | 33,169,415 | 6,946,338 | - | 391,677 | 39,724,076 | 60,487,076 | 64,222,868 |

Note: 12.1

Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets under Schedule II to the Act. Accordingly, Rs. 3,38,227/- is charged to Reserve account and Rs.23,89,861/- is being charged as additional depreciation for the period ended March 31, 2015.

Note: 12.2

Depreciation adjustment/deletion includes Rs.1,48,556/-towards reversal of excess depreciaton provided in earlier year on vehicles and computerr.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| Note 13: | NON CURRENT INVESTMENTS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|---|--|--|
| | Trade | | |
| | Unquoted Investments | | |
| 13.1 | In Subsidiaries | | |
| | Investments in Equity Instruments | | |
| | Perfect Controls Panels Private Limited | 10,006,000 | 10,006,000 |
| | 10,00,600 (10,00,000) Shares of Rs. 10 each, fully paid | | |
| | Non Trade | | |
| 13.2 | Quoted Investments in Mutual Funds | | |
| | Kotak Select Fund | 20,000 | 20,000 |
| | 2,000 Units (2,000 Units) of Rs. 10 each | | |
| | Total Quoted Investments | <u>20,000</u> | <u>20,000</u> |
| | Aggregate Market Value of Quoted MF | <u>65,960</u> | <u>57,484</u> |
| 13.3 | Unquoted Investments | | |
| | Investment in Government Securities | | |
| | National Savings Certificate | 20,000 | 20,000 |
| | Total Unquoted Investments | <u>20,000</u> | <u>20,000</u> |
| 13.4 | Other Investment : Gold Coin | 47,122 | 47,122 |
| | | <u>10,093,122</u> | <u>10,093,122</u> |
| 13.5 | For basis of valuation refer note no. 1.7 of Significant Accounting Policy | | |
| Note 14: | LONG TERMS LOANS & ADVANCES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | (Unsecured Considered Good) | | |
| | Capital Advances (Refer Note 14.1) | 7,223,668 | - |
| | Rent Deposit | 1,141,902 | 1,141,902 |
| | Deposit with Suppliers | 755,858 | 755,858 |
| | Other Deposits | 361,032 | 601,986 |
| | | <u>9,482,460</u> | <u>2,499,746</u> |
| 14.1 | Advance for purchase of immoveable property at Pune Taluka | | |
| Note 15: | OTHER NON CURRENT ASSETS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | (Unsecured Considered Good) | | |
| | Retention with customers | 365,385 | 365,385 |
| | Advance & SA tax & TDS (net of provision for tax) | 5,082,544 | - |
| | Miscellaneous Exp (to the extent not W/off) | <u>3,894,131</u> | <u>4,657,667</u> |
| | | <u>9,342,060</u> | <u>5,023,052</u> |
| 15.1 | Miscellaneous Exp (to the extent not W/off) Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy | | |
| Note 16: | INVENTORIES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | Stock of raw materials | 23,015,006 | 23,077,648 |
| | Stock of Spares and Components | 28,464,337 | 28,215,573 |
| | Others | <u>1,281,616</u> | <u>642,502</u> |
| | | <u>52,760,959</u> | <u>51,935,722</u> |
| | For basis of valuation refer note no. 1.8 of Significant Accounting Policy | | |
| Note 17: | TRADE RECEIVABLES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | Trade Receivables | | |
| | (Unsecured Considered Good) | | |
| | Outstanding for a Period exceeding six months | 29,932,500 | 24,569,335 |
| | (From the due date of payment) | | |
| | Others | <u>39,481,800</u> | <u>56,715,632</u> |
| | | <u>69,414,300</u> | <u>81,284,967</u> |

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

17.1 The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation. Out of the above Trade Receivables, in one receivable namely Unity Infra the amount of around Rs.65 lakhs receivable, case is now filed with NCLT. Other customer named "Panaromic group" where the receivable amount is around is Rs 150 lakhs is in process of filling the case with NCLT.

| Note 18: | CASH & BANK BALANCES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | Cash and cash equivalents | | |
| | Cash on hand | 74,676 | 586,503 |
| | Balance with Banks | | |
| | Balances with banks | 52,409 | 917,518 |
| | - Margin Money for Bank Guarantees* | 9,634,328 | 4,865,353 |
| | | 9,761,413 | 6,369,375 |

* Represents Fixed Deposits pledged with bank as margin money for the issue of bank guarantees & LC

| Note 19: | SHORT TERM LOANS & ADVANCES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|---|--|--|
| | (Unsecured Considered Good) | | |
| | Advance to Suppliers | 3,942,220 | 7,572,296 |
| | Advance to Employees | 107,000 | 306,000 |
| | Deposit_ Govt Authorities_pending Cases | 2,873,033 | 3,032,511 |
| | Other Advances & Deposits | 7,964,503 | 7,994,881 |
| | | 14,886,756 | 18,905,688 |

19.1 The Balances of Short Term Loans and advances are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

| Note 20: | OTHER CURRENT ASSETS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | (Unsecured Considered Good) | | |
| | Retention with customers | 8,017,163 | 8,482,548 |
| | Accrued receivable | 63,063,361 | 42,301,081 |
| | Prepaid expenses | 80,910 | 590,218 |
| | Accrued Interest on Bank Fixed Deposit/NSC | 7,722 | 5,672 |
| | Due from Ex-employees | 57,385 | 57,385 |
| | Other Receivable | 12,039,159 | 3,297,388 |
| | Miscellaneous Expenses (to the extent not w/off) (Refer Note No. 15.1) | 1,763,536 | 1,763,536 |
| | Other assets | 2,114,397 | - |
| | TDS Receivable | 63,033 | - |
| | | 87,206,665 | 56,497,828 |

| Note 21: | REVENUE FROM OPERATIONS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|---|--|--|
| | Trading/ Installation & Commissioning of AC | 87,966,436 | 123,207,956 |
| | Renting of Air Conditioners | 9,731,069 | 12,401,102 |
| | Sale of Services | 2,803,214 | 19,134,328 |
| | Other operating income | 236,041 | 859,722 |
| | | 100,736,759 | 155,603,108 |

| Note 22: | OTHER INCOME | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | Interest Income from Bank Deposits | 320,838 | 568,646 |
| | Dividend Income | - | 75,000 |
| | Profit on Sale of Fixed Asset | 2,459,492 | - |
| | Sundry provisions and credit balances no longer required, written back | 2,495,648 | 1,301,744 |
| | Profit/Loss on Sale of Shares | - | 214,682 |
| | Rent Income | 600,000 | 600,000 |
| | Other operating income | - | 20,124 |
| | Discount Received | 403,373 | - |
| | | 6,279,351 | 2,780,195 |

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 23: COST OF MATERIALS / SERVICES CONSUMED

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-------------------------------------|------------------------------------|------------------------------------|
| Opening Stock of Raw Material | 51,935,722 | 48,227,943 |
| Purchases | 37,064,759 | 73,672,826 |
| Machine Hire Charges | 10,350 | 900,000 |
| Labour | 1,049,531 | 3,235,598 |
| Site expenses | 4,492,068 | 5,059,652 |
| Less: Closing Stock of Raw Material | 52,760,959 | 51,935,722 |
| | 41,791,471 | 79,160,296 |

Note 24: EMPLOYEE BENEFIT EXPENSES

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|---|------------------------------------|------------------------------------|
| Salaries, wages and bonus | 21,842,975 | 26,614,893 |
| Contribution to provident and other funds | 449,405 | 1,008,762 |
| Gratuity | (1,011,251) | 390,000 |
| | 21,281,129 | 28,013,655 |

Note 25: FINANCE EXPENSES

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-------------------------|------------------------------------|------------------------------------|
| Interest paid to Banks | 15,258,608 | 13,374,079 |
| Interest Paid to Others | 214,555 | 352,186 |
| Other Borrowing Costs | 1,283,707 | 2,011,919 |
| | 16,756,870 | 15,738,184 |

Note 26: OTHER EXPENSES

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|--|------------------------------------|------------------------------------|
| Auditor's Remuneration (Refer Note 26.1) | 450,000 | 400,000 |
| Communication Costs | 460,074 | 717,068 |
| Business Promotion expenses | - | 367,500 |
| Discount | 47,826 | 497,552 |
| Insurance | 293,082 | 256,635 |
| Legal & Professional Fees | 3,396,204 | 2,499,101 |
| Books & Periodicals Subscriptions and Membership | - | 82,236 |
| Miscellaneous Expenses | 558,738 | 1,443,513 |
| Packing Expenses | 1,950 | 5,458 |
| Power & Fuel | 954,524 | 800,975 |
| Postage & Courier Charges | 76,753 | 79,248 |
| Printing & Stationery | 188,854 | 456,073 |
| office exp | 835,540 | - |
| Rent Rates & Taxes | 1,051,089 | 1,239,229 |
| Repairs and Maintenance Expenses | 338,473 | 811,330 |
| Security services | 136,000 | 42,585 |
| Indirect Taxes Paid | 63,294 | - |
| Transportation charges | 824,844 | 2,698,778 |
| Society Maintenance Charges | 278,614 | |
| Sitting Fees | 128,000 | 235,000 |
| Travelling & Conveyance | 3,789,977 | 5,446,043 |
| Share Issue Expenses W/off | 1,763,536 | 1,763,536 |
| | 15,637,372 | 19,841,859 |

26.1 Payment to Auditor

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------------------|------------------------------------|------------------------------------|
| Statutory Audit & Tax Audit | 450,000 | 400,000 |
| | 450,000 | 400,000 |

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2018

NOTE 27: EARNINGS PER SHARE

The Company reports earnings per shares (EPS) in accordance with AS 20, on 'Earnings per Share' issued by ICAI. Basic EPS is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

| Particulars | 31st Mar 2018 Amount in (Rs.) | 31st Mar 2017 Amount in (Rs.) |
|----------------------------------|----------------------------------|----------------------------------|
| Profit before Tax | 5,078,648 | 8,750,792 |
| Less : | | |
| Provision for Tax & Deferred Tax | 1,397,870 | 2,917,828 |
| Profit after tax | 3,680,779 | 5,832,963 |
| Weighted Number of Shares | 8,208,762 | 7,709,408 |
| Basic & Diluted EPS | 0.45 | 0.76 |

NOTE 28: RELATED PARTY DISCLOSURES

Related parties with whom transactions have taken place during the period

Key Management Personnel

Mr. Nimesh Natwarlal Mehta
Mrs. Manisha Nimesh Mehta

CMD
DIRECTOR FINANCE

Other Related Parties

Manan Rajendra Doshi
Share Holder More Than 5%

Subsidiary Company (wholly owned)

Perfect Control Panels Pvt Ltd

Related Party Transactions :

| Particulars | 31st Mar 2018 Amount in (Rs.) | 31st Mar 2017 Amount in (Rs.) |
|----------------------------------|----------------------------------|----------------------------------|
| Key Management Personnel | | |
| Remuneration to Directors | 3,457,620 | 3,380,519 |
| Rent Paid | - | 230,000 |
| Purchase of Shares of subsidiary | | 5,000 |
| Loan received | 15,258,873 | 2,508,037 |
| Other Related Parties | | |
| Purchase | | 25,000 |
| Rent Paid to Share Holder | 200,000 | 218,000 |
| Salary Paid | - | 300,000 |
| Subsidiary Company | | |
| Reimbursement of expenses from | - | 84,540 |
| Rent Received | 600,000 | 600,000 |
| Purchase of Material | 3,185,830 | 6,854,532 |
| Advance received back | 4,934,728 | 8,261,726 |
| Outstanding Balances | | |
| Subsidiary | | |
| Investment | 10,006,000 | 10,006,000 |
| Trade Payables | 5,614,954 | 7,753,875 |
| Key Management Personnel | | |
| Trade receivables | | |
| Remuneration Payable | 729,219 | 135,919 |
| Loan Payable | 152,258,873 | 2,508,037 |

NOTE 29: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006:

Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

As at March 31, 2018, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2018

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS

| Description | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|--|------------------------------------|------------------------------------|
| 30.1 CONTINGENT LIABILITIES | | |
| Bank Guarantees | 45,653,675 | 37,289,407 |
| Penalty of non furnishing of TDS (180 days) | 36,000 | |
| Disputed Sales Tax liabilities for which appeal is pending | | |
| (Amount deposited Rs.20427000-964000) | 19,481,000 | 14,630,229 |
| 30.2 COMMITMENTS | | |
| Estimated amount of capital commitments not provided for (Net of Advances) | Nil | Nil |
| 30.3 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT | NIL | 1,315,253 |

NOTE 31: EARNINGS & EXPENDITURE IN FOREIGN CURRENCY (on ACCRUAL BASIS):

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|------------------------------|------------------------------------|------------------------------------|
| Technical know how fees(WIP) | 41,301,084 | 628,061 |
| Travelling Expenses | 350,000 | 140,500 |

NOTE 32: VALUE OF IMPORTS (on CIF Basis)

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-------------------|------------------------------------|------------------------------------|
| Purchase of Goods | 3,800,000 | - |

NOTE 33: Operating Leases

The Company's lease agreements are in respect of operating lease for office premises. These lease arrangements are cancellable by either parties there to as per the

NOTE 34: Segment Reporting

The Company is predominantly in the business of execution of HVAC & MEP Contracts and allied activities in India and as such there are no separate reportable segments.

NOTE 35: PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current periods classification/ disclosure.

As per our Report of even date

For JCR & Co.

Chartered Accountants

FRN : 105270W

Mitesh D. Chheda

Partner

M. No. 160688

Place: Mumbai

Date: 03/09/2018

For and on behalf of the Board of Directors

Nimesh Mehta

Chairman & Managing Director

DIN:00247264

Manisha Mehta

Director- Finance

DIN:00247274

Poonam Maurya

Company Secretary

ACS: A41916



**CONSOLIDATED FINANCIAL
STATEMENT
FY 2017-18**



INDEPENDENT AUDITORS REPORT

To the Members of PERFECT INFRAENGINEERS LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of PERFECT INFRAENGINEERS Limited (herein referred to as 'the Holding Company') and its subsidiary which comprises of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss account and the Consolidated Cash Flow Statement for the year then ended and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 Consolidated Financial Statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and the Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018, its Consolidated Profit and its Consolidated Cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclose in the '**Annexure A**', a statement on the matters specified in paragraph 3 & 4 of the said order.
8. As required by Section 143 (3) of the Act, we further 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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Consolidated Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) We have received the written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, that the Directors are not disqualified as on 31st March 2018 from being appointed as a directors in terms of section 164(2) of the Act.
 - f) A separate Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the companies Act, 2013 ("the Act")- is enclosed as '**Annexure B**' to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does have the pending litigations which would impact its financial position and it has been disclosed in the Note No of 30 Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts outstanding as at 31st March 2018 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.

**For M/s JCR & Co.
CHARTED ACCOUNTANTS
FRN 105270W**

**SD/-
CA. Mitesh Chheda
Mem.No. 160688**

**Place: Mumbai
Date: 03.09.2018**



Annexure A referred to in paragraph 7 of our Report of even date to the Members of PERFECT INFRAENGINEERS Limited on the Standalone financial statements of the Company for the year ended 31st March 2018.

On the basis of such checks as we considered appropriate and/or according to the information and explanations given to us during the course of our audit, we report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds comprising the immovable properties are held in the name of the Company.
- ii. As explained to us the Inventory has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification. The discrepancies noticed on verification were not material and the same have been properly dealt with.
- iii. The Company has not granted/taken any loans, secured or unsecured to/from companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence, the provisions of clause 3 (iii) of the order is not applicable.
- iv. According to the records of the company examined by us and as per the information and explanations given to us, the company has not granted any loans covered under section 185 and 186; investment made by the company is in compliance with the provisions of Section 186.
- v. According to the information and explanations given to us, the company has not accepted any deposits from the public during the year covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
 - a. According to the information and explanations given to us and based on the records of the company examined by us, except for Rs.69.63 Lakhs due towards TDS, ESIC, PT and Service Tax (Details provided below), the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty, Value added tax, cess and any other material statutory dues to the extent applicable with the appropriate authorities in India.



Details of Statutory Dues outstanding as on 31.03.2018:

| Particulars | Amount (Rs.) | Paid date |
|-----------------------------------|------------------|-----------|
| TDS (6272176+128906) | 6,401,082 | Not Paid |
| ESIC Payable | 9,230 | 23.07.18 |
| Service Tax including KKC and SBC | 380,651 | 11.06.18 |
| Professional Tax (91325 + 81175) | 172,500 | Not paid |
| Total | 6,963,463 | |

- b. According to the information and explanations given to us and based on the records examined by us there are no dues in respect of income tax, service tax, customs duty and excise duty which have not been deposited on account of any disputes.
- c. Details of dues of Central Sales Tax and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

| Name of Statute | Nature of Dues | Period to which the amount relates | Forum where dispute is pending | Amount Involved (Rs. in Lakhs) |
|---------------------|----------------|------------------------------------|--------------------------------|--------------------------------|
| Maharashtra Vat Act | VAT/CST | 2010-11 (order recd in March,2018) | Appeal filed before Tribunal | 90.22 |
| Maharashtra Vat Act | VAT/CST | 2013-14 (order recd in July,2018) | Appeal filed before Tribunal | 114.05 |

- viii. The company has not availed any loans or borrowings from government or debentures holders issued during the year. However, on the basis of our examination of the records of the Company, few delay in repayment of borrowings repayable on demand have arisen in case of Tata Capital services ltd for the month of Dec-17, Jan-18 and Feb-18. The amount of Rs.3,74,355 (Principal-3,63,850 + Interest 10,505) However, please note the above account has been settled & NOC has been received in August 2018.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year. Hence the provision of clause 3 (ix) of the Order is not applicable.
- x. During the course of our examination of the books and the records of the Company carried in accordance with the Auditing Standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees,
- Level III, Raval House, 18th Road, Khar W, Mumbai- 400052. Email: jrcindia@gmail.com Tel: 26054593



noticed or reported during the year nor have we been informed of any such instance by the Management.

- xi. According to the information and explanations given to us, the managerial remuneration paid/provided are in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence clause 3 (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us, the transactions entered with related parties are in accordance with the provisions of section 177 and 188 of the Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. The company has made private placement of shares and has issued and allotted further equity shares to its new members, in terms of provisions of Section 62 & section 42 of the Act, during the year under Audit and has complied with the requirements of that Section.
- xv. According to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him and hence paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/s JCR & Co.

CHARTERED ACCOUNTANTS

FRN: 105270W

SD/-
CA Mitesh Chheda
Partner
M.No. : 160688

Place: Mumbai

Date: 03.09.2018



'ANNEXURE B' referred to in paragraph 8(f) of our Report of even date to the Members of PERFECT INFRAENGINEERS Limited on the Consolidated financial statements of the Company for the year ended 31st March 2018

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

We have audited the internal financial controls over financial reporting of PERFECT INFRAENGINEERS Limited as of 31st March 2018 in conjunction with our audit of the Consolidated 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and
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expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following significant weakness has been identified as at 31st March, 2018:

a) The control mechanism in respect of recording of transactions needs improvement.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2018, 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".

We have considered the weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2018 standalone financial statement of the Company, and the weakness will not affect our opinion on the Consolidated financial statements of the Company.

For M/s JCR & Co.
CHARTERED ACCOUNTANTS
FRN: 105270W

Sd/-
CA Mitesh Chheda
Partner
M.No.: 160688
Place: Mumbai
Date: 03.09.2018

PERFECT INFRAENGINEERS LIMITED
Audited Consolidated Balance Sheet as on 31st March,2018

| Particulars | Note no. | As at 31st March,2018 Amount in (Rs.) | As at 31st March,2017 Amount in (Rs.) |
|------------------------------------|----------|---|---|
| I. EQUITY & LIABILITIES | | | |
| 1 Shareholder's Funds | | | |
| (a) Share capital | 2 | 94,452,590 | 77,094,080 |
| (b) Reserves and surplus | 3 | 86,756,532 | 56,320,389 |
| Minority Interest | | | |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 22,109,755 | 15,298,154 |
| (b) Deferred tax liability (net) | 5 | 3,124,897 | 3,064,283 |
| (c) Other long - term liabilities | 6 | 183,050 | 183,050 |
| (d) Long-term provisions | 7 | 1,515,047 | 2,417,069 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 8 | 99,493,084 | 95,137,132 |
| (b) Trade payables | 9 | 21,951,408 | 23,840,034 |
| (c) Other current liabilities | 10 | 33,942,123 | 30,300,911 |
| (d) Short-term provisions | 11 | 6,872,912 | 1,671,663 |
| TOTAL | | 370,401,397 | 305,326,765 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| Tangible assets | 12 | 61,935,198 | 68,339,714 |
| Intangible assets | 12 | 229,133 | 418,385 |
| Capital Wip | 12 | 43,701,503 | |
| (b) Non Current Investments | 13 | 582,122 | 582,122 |
| (c) Long-term loans and advances | 14 | 9,507,460 | 2,524,746 |
| (d) Other non-current assets | 15 | 9,395,972 | 6,894,410 |
| 2 Current assets | | | |
| (a) Inventories | 16 | 62,747,848 | 59,111,422 |
| (b) Trade receivables | 17 | 72,703,529 | 85,041,196 |
| (c) Cash and bank balances | 18 | 10,039,255 | 6,821,496 |
| (d) Short-term loans and advances | 19 | 15,961,704 | 19,914,598 |
| (e) Other current assets | 20 | 83,597,675 | 55,678,677 |
| TOTAL | | 370,401,397 | 305,326,765 |

Significant Accounting Policies

1

Notes form an integral part of the financial statements

2 to 35

As per our Report of even date

For JCR & Co.

Chartered Accountants

FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner

M. No. 160688

Place: Mumbai

Date: 03/09/2018

Nimesh Mehta
Chairman & Managing Director
DIN:00247264

Manisha Mehta
Director- Finance
DIN:00247274

Poonam Maurya
Company Secretary
ACS:A41916

PERFECT INFRAENGINEERS LIMITED
Audited Consolidated Statement of Profit & Loss for year ended 31st March, 2018

| Particulars | | Note No. | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-------------|--|----------|------------------------------------|------------------------------------|
| I. | Revenue from operations | 21 | 106,401,637 | 163,634,740 |
| II. | Other Income | 22 | 5,864,996 | 2,430,503 |
| III. | Total Revenue (I + II) | | 112,266,634 | 166,065,243 |
| IV. | <u>Expenses:</u> | | | |
| | Cost of Materials/Services Consumed | 23 | 45,139,411 | 77,569,171 |
| | Employee benefits expense | 24 | 21,964,502 | 32,784,506 |
| | Finance costs | 25 | 19,243,239 | 17,359,537 |
| | Depreciation and amortization expense | 12 | 7,439,303 | 7,729,298 |
| | Other expenses | 26 | 16,223,227 | 20,818,055 |
| | Total Expenses | | 110,009,682 | 156,260,568 |
| V. | Profit before tax (III- IV) | | 2,256,952 | 9,804,675 |
| VI. | Tax Expense: | | | |
| | (1) Current tax | | 1,269,662 | 3,324,014 |
| | (2) Deferred tax | | 60,614 | 481,549 |
| | (3) Excess Provision of Previous Year | | | |
| | | | 1,330,276 | 3,805,563 |
| VII. | Minority Interest | | | - |
| VII. | Profit (Loss) for the period (V-VI) | | 926,676 | 5,999,112 |
| VIII. | Earnings per equity share: | 27 | | |
| | Face value of Rs. 10 each | | | |
| | -Basic and Diluted | | 0.11 | 0.78 |
| | Significant Accounting Policies | 1 | | |
| | Notes form an integral part of the financial statements | 2 to 35 | | |

As per our Report of even date
For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688
Place: Mumbai
Date: 03/09/2018

Nimesh Mehta
Chairman & Managing Director
DIN:00247264

Manisha Mehta
Director- Finance
DIN:00247274

Poonam Maurya
Company Secretary
ACS:A41916

PERFECT INFRAENGINEERS LIMITED
Audited Consolidated Cashflow Statement for the year ended 31st March,2018

| Particulars | For the Year Ended March 31, 2018 | For the Year Ended March 31, 2017 |
|--|-----------------------------------|-----------------------------------|
| | Amount in (Rs.) | Amount in (Rs.) |
| CASH FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) before tax and extraordinary items: | 2,583,809 | 9,804,675 |
| Depreciation | 7,439,302 | 7,729,298 |
| Interest Income | (335,558) | (646,445) |
| Dividend Income | (46,250) | |
| Profit on Sale of Investments | | (214,682) |
| Provisions written back | (2,495,648) | 1,301,744 |
| Discount | (403,373) | - |
| Profit / (Loss) on sale of fixed assets | (2,459,492) | - |
| Provision for Gratuity | (1,011,251) | 390,000 |
| Interest on Borrowings | 19,243,239 | 17,359,537 |
| Share Issue Expenses & Other Miscellaneous Expenses W/off | 1,817,446 | 1,817,446 |
| Operating Profit before Working Capital changes | 24,332,224 | 37,541,575 |
| Adjustments for: | | |
| Inventories (Increase) / Decrease | (3,963,282) | (4,436,582) |
| Trade Receivables (Increase)/Decrease | 14,476,496 | 10,620,801 |
| Loans and advances (Increase)/Decrease | (3,054,765) | 8,376,406 |
| Other non current assets and Current Assets (Increase)/Decrease | (36,172,734) | (12,647,757) |
| Trade payables Increase / (Decrease) | (4,027,455) | (7,396,550) |
| Other current liabilities and provisions Increase/ (Decrease) | 8,908,838 | (31,221,617) |
| Cash generated from Operations | 499,322 | 836,276 |
| Direct taxes received / (paid) | 4,868,347 | 2,263,436 |
| Net Prior Year adjustments | NIL | NIL |
| Cash Flow from Operating Activities | 5,367,669 | 3,099,713 |
| Extraordinary items: | | |
| Extraordinary item | | - |
| Net Cash from Operating Activities: (A) | 5,367,669 | 3,099,713 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Investment | | (495,000) |
| Purchases of Fixed Assets \WIP\Capital Advance | (45,887,544) | (5,066,155) |
| Proceeds from Sale of Fixed Assets | 3,800,000 | - |
| Capital Subsidy received | | - |
| Proceeds from Share issue | | - |
| Proceeds from Sale of Share (Investments) | | - |
| Purchase of investments -Gold coin | | - |
| Purchase of investments on Conversion of CCD | | - |
| Application money | | - |

| | | |
|---|---------------------|--------------------|
| Conversion of CCD Application money to Equity Investment | | - |
| Purchase of Investments -Shares | | - |
| Realisation from Sale of investments - Subsidiaries * | | (6,000) |
| Purchase of Investment | | - |
| Sale proceeds from sale of shares | | 1,234,734 |
| Dividend Income | 46,250 | 646,445 |
| Interest Income | 335,558 | |
| Net cash generated from/(used in) investing activities (B) | (41,705,736) | (3,685,976) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds From Fresh Issue | 46,867,977 | - |
| Increase in Unsecured Lonas | 15,495,245 | - |
| Increase/Decrease in Loans from Bank (Net) | (1,504,144) | 21,997,357 |
| Repayment of Bank | (2,823,549) | - |
| Interest /Finance Charegs paid | (19,243,239) | (16,438,212) |
| Dividend Paid / Dividend Distribution Tax Paid | | (3,854,704) |
| Share issue Expenses | 763,537 | (597,494) |
| Fixed Deposit held with Bank as margin Money | (4,768,975) | (93,896) |
| Net cash received from/(used in) financing activities (C) | 34,786,852 | 1,013,051 |
| Net increase in cash and cash equivalents (A + B + C) | (1,551,216) | 426,787 |
| Cash and cash equivalents (Opening) | 1,956,143 | 1,799,944 |
| Cash and cash equivalents (Closing) | 404,927 | 1,956,143 |
| Cash and Cash equivalents as restated | 404,927 | 1,956,143 |

(i) The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statement".

(ii) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current year.

As per our Report of even date
For JCR & Co.
Chartered Accountants
FRN : 105270W

Mitesh D. Chheda
Partner
M. No. 160688
Place: Mumbai
Date: 03/09/2018

For and on behalf of the Board of Directors

Nimesh Mehta
Chairman & Managing Director
DIN:00247264

Manisha Mehta
Director- Finance
DIN:00247274

Poonam Maurya
Company Secretary
ACS:A41916

1: SIGNIFICANT ACCOUNTING POLICIES

- 1.1** The Consolidated Financial statement relates to Perfect Infraengineers Limited and its Subsidiary Company. The company considered for consolidation and basis of consolidation is as follows :

| Sr No. | Name of the Subsidiary | Country of Incorporation | Proportion of Ownership, Interest & Relationship | Financial year ended on |
|--------|--------------------------------|--------------------------|---|-------------------------|
| 1. | Perfect Control Panels Pvt Ltd | India | Wholly Owned subsidiary of Perfect Infraengineers Limited | March 2018 |

1.2 Principles of Consolidation:

- a) The financial statements of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS – 21) “Consolidated Financial Statements”.
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- c) Share of Minority Interest in net profit / loss of the consolidated subsidiaries for the year is identified and adjusted against the profit / loss of the group in order to arrive at the net profit / loss attributable to shareholders of the Company.
- d) Share of Minority Interest in net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders.

1.3 Basis for preparation of Consolidated Financial Statements:

These consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’), read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of

India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.4 Use of Estimate:

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

1.5 Revenue recognition:

Revenues are recognized when it is earned and when there is no significant uncertainty as to its measurement and realization. The specific revenue recognition policies are as under:

- a. Revenue from Turnkey Contracts is recognized based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- c. Revenue from Services is recognized on performance of Service in accordance with the terms of contract with customers.
- d. Dividend income is recognized when the right to receive dividend is established.
- e. Income such as annual maintenance contracts, Interest, Lease Rentals is recognized as per contractually agreed terms on time proportion basis.
- f. Export benefits are accounted for in the year of exports, based on eligibility and when there is no uncertainty of receiving the same.
- g. Other income is recognized when the right to receive is established.

1.6 Fixed Assets, Intangible Assets and Capital Work in Progress:

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. All identifiable costs incurred up to the asset put to use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Intangible Assets are stated at the cost of acquisition less accumulated amortization.

Capital Work In Progress include cost of fixed assets that are not ready for their intended use as at the balance sheet date.

1.7 Depreciation:

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013 and In respect of additions to / deletion from the Fixed Assets, on pro rata basis.

1.8 Impairment of Assets:

An asset is treated as impaired when the carrying amount of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year/s is reversed if there has been a change in the estimate of recoverable amount.

1.9 Investments:

Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if decline in the value of such investments is other than temporary.

1.10 Inventories:

- a. Inventories including Work-in-process and stores and spares are valued at the lower of cost and net realizable value.
- b. Cost of inventories is generally ascertained on first in first out basis.

1.11 Foreign currency transactions:

- a. Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary foreign currency items are reported at the exchange rates as at Balance Sheet date.
- c. In respect of transactions covered under forward exchange contracts, the difference between the exchange rates prevailing at the Balance Sheet date and rate on the date of the contract is recognized as exchange difference. The premium on forward contract/s is amortized over the life of the contract.
- d. Non-monetary foreign currency items are carried at cost.
- e. Any gains or losses on account of exchange difference either on settlement or on translation are recognized in the Statement of Profit and Loss.

1.12 Employee Benefits:

- a. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b. Post-employment and other long-term employee benefits are recognized as an expense at the present value of amount payable determined using actual arithmetical valuation basis in the Statement of Profit and Loss of the year in which the employee has rendered services.

1.13 Provision for Current and Deferred Tax:

- a. **Current Tax:** Provision is made for income tax, under the tax payable method, based on the liability as computed after taking credit for allowances, exemptions, and MAT credit entitlement for the year. Adjustments in books are made only after the completion of the assessment. In case of matters under appeal, due to disallowances or otherwise, full provision is made when the Company accepts the said liabilities.

- b. **Deferred tax:** The differences that result between the profit / loss offered for income tax and the profit / loss as per the consolidated financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax asset is recognized only to the extent there is virtual certainty that the asset will be realized in the future. Carrying value of deferred tax asset is adjusted for its appropriateness at each balance sheet date.

1.14 Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

1.15 Borrowing Cost:

- a. Borrowing costs, less any income on the temporary investment out of those borrowings, that are directly attributable to acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of that asset
- b. Other borrowing costs are recognized as expense in the period in which they are incurred.

1.16 Leases:

- a. Assets given on lease, under which the Company effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as income in the Statement of Profit and Loss on a straight-line basis over the lease term.
- b. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the Company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so

as to obtain a constant periodic rate of interest on the outstanding liability for each year.

1.17 Provision for Doubtful Debts and Loans and Advances:

Provision is made for doubtful trade receivables, loans and advances when the management considers trade receivables, loans and advances to be doubtful of recovery.

1.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

1.19 Share Issue Expenses

Share issue expenses are amortised over the period of 5 years.

1.19 Cash & Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques in hand and deposits with banks having maturity period less than three months from the date of acquisition.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018
NOTE 2: SHARE CAPITAL

| | 31st March,2018 | | 31st March,2017 | |
|---|------------------|---------------------|------------------|---------------------|
| | Number | Amount in (Rs.) | Number | Amount in (Rs.) |
| 2.1 Authorised | | | | |
| Equity Shares of Rs. 10/- each | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| 2.2 Issued, Subscribed & Paid up | | | | |
| Shares at the beginning of the period | 7,709,408 | 77,094,080 | 7,709,408 | 77,094,080 |
| Add: Issued during the year | 1,735,851 | 17,358,510 | - | - |
| Add: Issued Bonus shares | - | - | - | - |
| Shares at the end of the period | 9,445,259 | 94,452,590 | 7,709,408 | 77,094,080 |
| 2.3 Reconciliation of Number of Shares | | | | |
| Outstanding at Beginning of the period | 7,709,408 | | 7,709,408 | |
| Add: Issued during the year for Cash | 1,735,851 | | - | |
| Add: Issued as Bonus Shares | - | | - | |
| Less: Shares Bought back during the period | - | | - | |
| Outstanding at the end of the period | 9,445,259 | | 7,709,408 | |
| 2.4 Aggregate Number of bonus shares issued, issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: | | | | |
| Equity Shares allotted as fully paid bonus shares by capitalization of security premium and free reserves | | | 2,699,685 | |
| 2.5 Details of Shareholder holding more than 5% shares | | | | |
| Name of Shareholder | Number | % of Holding | Number | % of Holding |
| Mr. Nimesh Mehta | 2,566,053 | 27.16 | 2,566,053 | 33.28 |
| Mrs. Manisha Mehta | 1,953,832 | 20.68 | 2,433,832 | 31.34 |
| Manan Rajendra Doshi HUF | 491,481 | 5.20 | 438,000 | 5.68 |

2.6 Terms /Rights attached to the Equity Shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the company after distribution of all preferential amounts in proportion to the number of equity shares held.

Note 3: RESERVES & SURPLUS

| | 31st March,2018 | | 31st March,2017 | |
|---|-------------------|--|-------------------|--|
| | Amount in (Rs.) | | Amount in (Rs.) | |
| 3.1 General Reserve | | | | |
| Opening Balance | - | | - | |
| Add: Current Year Transfer | - | | - | |
| Less: Utilised for issue of Bonus Shares | - | | - | |
| Closing Balance | - | | - | |
| 3.2 Security Premium | | | | |
| Opening Balance | 33,852,000 | | 33,852,000 | |
| Add: Addition during current year | 29,509,467 | | - | |
| Less: Utilised for issue of Bonus Shares | - | | - | |
| Closing Balance | 63,361,467 | | 33,852,000 | |
| 3.3 Statement of Profit & Loss | | | | |
| Opening Balance | 22,468,389 | | 16,469,277 | |
| Add: Net Profit/(Net Loss) for the Period | 926,676 | | 5,999,112 | |
| | 23,395,065 | | 22,468,389 | |
| Less: Transferred to General Reserve | - | | - | |
| Less: Utilised for issue of Bonus Shares | - | | - | |
| Less: Proposed Dividend | - | | - | |
| Less :Provision for Dividend Distribution Tax | - | | - | |
| Closing Balance | 23,395,065 | | 22,468,389 | |
| | 86,756,532 | | 56,320,389 | |

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| Note 4: | LONG TERM BORROWINGS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|--|--|--|
| | (Secured) | | |
| | Term Loan | | |
| | - From Banks | | |
| | SIDBI (refer note 4.1 & 4.4) | 1,013,500 | 3,890,000 |
| | ICICI Bank (refer note 4.2 & 4.4) | 932,422 | 6,351,364 |
| | TJSB (Refer Note from 4.6 to 4.7) | 2,151,293 | 2,500,757 |
| | - From Others | | |
| | Mahindra and Mahindra Finance (refer note 4.3 & 4.4) | 9,258 | 47,996 |
| | Unsecured Loan | | |
| | - From Director | | |
| | Loan from Directors (refer note 4.5) | 16,303,282 | 2,508,037 |
| | - From Others (refer note 4.6) | 1,700,000 | - |
| | | 22,109,755 | 15,298,154 |

Term Loans from Banks & Financial Institutions are secured by way of :

- 4.1** a) Term loan from SIDBI secured by first charge on immovable property of the company located at Ghaziabad;
b) Term loan from SIDBI secured by charge on all the movable assets (including Current Assets);
c) Directors of the Company have extended Personal Guarantee.
- 4.2** a) Term Loans from ICICI Bank Rs. 2,57,53,875/- is secured by Equitable Mortgage of Plot owned by Company at Rabale and first charge on all of the
b) Exclusive charge by way of Hypothecation over all movable assets, present and future;
c) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Bhiwandi, Thane West and
d) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
e) Directors of the Company have extended a Personal Guarantee.
- 4.3** a) Hypothecation of a Commercial vehicle.

4.4 Terms of Repayment

| Nature of Facility and Rate of Interest | Mar 2018 | Mar 2019 |
|--|-----------------|-----------------|
| Loan from SIDBI @ 13% | 882,000 | 882,000 |
| Loan from SIDBI @ 16% | 2,256,000 | 2,256,000 |
| ICICI Bank - 8.35Lacs @ 12% | 296,856 | 101,364 |
| ICICI Bank - 250Lacs @ 12.75% | 7,500,000 | 6,016,667 |
| Loan from Mahindra & Mahindra @ 14% | 104,085 | 47,996 |

4.5 Loan from Directors are interest free loans and no specific terms of repayment are agreed upon between directors and the Company

4.6 Capital Creditor has been converted into Unsecured Loan

4.7 Terms of Repayment

| Nature of Facility and Rate of Interest | Mar 2019 | Mar 2020 | Mar 2021 |
|--|-----------------|-----------------|-----------------|
| 13.% Term Loan1 from TJSB | 165,902 | 149,564 | 171,054 |
| 13.% Term Loan2 from TJSB | 223,718 | 204,360 | 233,725 |
| | | | |
| | Mar 2022 | Mar 2023 | Mar 2024 |
| 13.% Term Loan1 from TJSB | 195,628 | 223,736 | 164,958 |
| 13.% Term Loan2 from TJSB | 267,301 | 305,708 | 275,258 |

| Note 5: | DEFERRED TAX LIABILITIES (Net) | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|---------------------------------------|---------------------------------------|--|--|
| 5.1 Deferred Tax Liability (A) | | 3,793,967 | |
| Depreciation/Adjustment | | 60,614 | 3,896,925 |
| 5.2 Deferred Tax Asset (B) | | | |
| On account of Disallowance U/s. 43 B | | (729,684) | (832,643) |
| | | 3,124,897 | 3,064,282 |

| Note 6: | OTHER LONG TERM LIABILITIES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|------------------------------------|--|--|
| | Deposits from Customers | 183,050 | 183,050 |
| | | 183,050 | 183,050 |

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| Note 7: | LONG TERM PROVISIONS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|-----------------------------|--|--|
| | Provision For Gratuity | 1,515,047 | 2,417,069 |
| | | 1,515,047 | 2,417,069 |

7.1 Gratuity payable is provided on Acturial Valuation basis, However the company has not created any fund towards payment of same.

| Note 8: | SHORT TERM BORROWINGS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|--|--|--|
| | (Secured) | | |
| | Loans repayable on demand | | |
| | ICICI Bank (refer note 8.1) | 61,634,498 | 61,855,761 |
| | TJSB (NOTE 8.4) | 9,128,868 | 12,291,800 |
| | The National Small Industries Corporation Ltd (refer note 8.2 & 8.5) | 28,729,718 | 20,989,572 |
| | | 99,493,084 | 95,137,133 |
| | | 99,493,084 | 95,137,133 |

8.1 Cash Credit facility from ICICI Bank is secured by :

- a) Exclusive charge by way of Hypothecation over all movable assets, present and future;
- b) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Bhiwandi, Thane West and
- c) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
- d) Directors of the Company have extended a Personal Guarantee.

8.2 The loan from National Small Industries Corporation Limited is secured by Bank Gurantee issued.

8.3 Mr. Nimesh Mehta and Mrs. Manisha Mehta, Directors of the Company have extended personal guarantee for Cash Credit facility from AXIS Bank.

8.4 Cash Credit facility from TJSB Bank is secured by :

- a) Exclusive charge by way of Hypothecation over stock & book debts and collateral security of residential properties at Kalamboli by way of equitable mortgage.
- b) Mr. Nimesh Mehta and Mrs. Manisha Mehta, Directors of the Company, have extended a Personal Guarantee.

| Note 9: | TRADE PAYABLES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|----------------|--|--|--|
| | Trade Payables-for Goods & Services (Including acceptances) | 21,951,408 | 23,840,034 |
| | | 21,951,408 | 23,840,034 |

9.1 The balances of Trade Payables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.

| Note 10: | OTHER CURRENT LIABILITIES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4) | 10,057,497 | 12,570,484 |
| | Due to Bank | - | 794,698 |
| | Interest Accrued and due | - | 158,274 |
| | Interest Accrued but not due | - | 59,960 |
| | Statutory Dues payable | 12,561,106 | 4,860,337 |
| | Advance from Customers | 1,318,417 | 1,318,417 |
| | Employee Benefit Expenses payable | 3,241,691 | 3,171,974 |
| | Director Salary Payable | 729,219 | - |
| | Gratuity Payable | 432,111 | 520,380 |
| | Unearned Revenue | 1,390,605 | 1,888,068 |
| | Book Overdraft | 3,426,141 | 642,326 |
| | Other payables | 785,336 | 2,615,994 |
| | Capital Creditors | - | 1,700,000 |
| | | 33,942,123 | 30,300,911 |

| Note 11: | SHORT TERM PROVISIONS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|---|--|--|
| | Proposed Account | - | - |
| | Provision for Dividend Distribution Tax | - | - |
| | Provision for Gratuity | 168,338 | 277,567 |
| | Provision for Income Tax (Net of Advance Tax & TDS) | 6,479,570 | 1,394,096 |
| | Provision for audit fees | 45,000 | - |
| | Provision for Internal audit fees | 180,000 | - |
| | | 6,872,908 | 1,671,663 |

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for year ended 31st March, 2018
Note: 12 TANGIBLE ASSETS (Current Year)

| Name Of Asset | Gross Block As on 1-Apr-17 | Addition During the period | Deduction during the period | Gross Block As On 31-Mar-18 | Depreciation Upto 1-Apr-17 | Depreciation For the period | Transfer to Reserve | Depreciation Adjustment/ Deletion | Total Depreciation | Net Block As On 31-Mar-18 | Net Block As On 31-Mar-17 |
|-------------------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|---|-----------------------|---------------------------------|---------------------------------|
| TANGIBLE ASSETS | | | | | | | | | | | |
| <u>(a) Buildings</u> | | | | | | | | | | | |
| Office Buildings | 8,724,460 | - | 2,202,510 | 6,521,950 | 2,143,595 | 320,488 | | 862,003 | 1,602,080 | 4,919,870 | 6,580,865 |
| Factory Building | 35,867,700 | - | | 35,867,700 | 8,731,285 | 2,577,959 | | | 11,309,244 | 24,558,456 | 27,136,415 |
| Guest House | 22,747,796 | | - | 22,747,796 | 3,010,638 | 961,199 | | - | 3,971,837 | 18,775,959 | 19,737,158 |
| <u>(b) Plant & Equipments</u> | | | | | | | | | | | |
| Owned | 2,899,763 | | - | 2,899,763 | 974,355 | 348,499 | - | - | 1,322,854 | 1,576,909 | 1,925,408 |
| Owned, Given on Hire | 32,884,020 | 543,217 | - | 33,427,237 | 25,526,432 | 1,370,825 | - | - | 26,897,257 | 6,483,394 | 7,357,588 |
| Demo-Equipment | 1,249,850 | | | 1,249,850 | - | 226,223 | - | - | 226,223 | 1,023,627 | 1,249,850 |
| <u>(c) Furniture & Fixtures</u> | 4,221,865 | 96,679 | | 4,318,544 | 1,260,982 | 907,484 | - | - | 2,168,466 | 2,150,078 | 2,960,883 |
| <u>(d) Vehicles</u> | 3,849,101 | | - | 3,849,101 | 2,712,819 | 291,570 | - | - | 3,004,389 | 844,712 | 1,136,282 |
| <u>(e) Office Equipment</u> | | | | | | | | | | | |
| Office Equipment | 392,744 | | - | 392,744 | 352,094 | 35,250 | - | - | 387,344 | 5,400 | 40,650 |
| Computer | 2,380,586 | | - | 2,380,586 | 2,165,971 | 135,551 | - | - | 2,254,939 | 125,647 | 214,615 |
| INTANGIBLE ASSETS | | | | | | | | | | | |
| <u>(a) Software</u> | 1,035,662 | 75,000 | - | 1,110,662 | 617,277 | 264,255 | - | - | 881,529 | 229,133 | 418,385 |
| Capital WIP(R & D) Exp | | | | - | | | | | | - | - |
| Work In Progress | | | | | | | | | | | |
| (a) Technical know how fees(WIP) | | 41,966,084 | | 41,966,084 | | | | | | 41,966,084 | - |
| (b) Capital Wip | | 3,206,564 | | 3,206,564 | | | | | | 3,206,564 | - |
| TOTAL | 116,253,547 | 45,887,544 | 2,202,510 | 159,938,581 | 47,495,448 | 7,439,303 | 0 | 862,003 | 54,026,162 | 105,865,833 | 68,758,099 |
| Previous year | 97,392,283 | 3,691,969 | 873,100 | 100,211,152 | 33,169,415 | 6,946,338 | - | 391,677 | 39,724,076 | 60,487,076 | 64,222,868 |

Note: 12.1

Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets under Schedule II to the Act; accordingly depreciation is provided as per the rate and method prescribed under Schedule II of the Companies Act, 2013.

Note: 12.2

Depreciation on Technical know how capitalized under Intangible assets will be amortised in accordance with AS 26 considering its useful life to be five years .The amortisation will start with the acquisition of complete rights. Technical know how fees paid for acquiring licence rights of innovative HVAC products.

Note: 12.3

Capital WIP Includes R&D Expenditure for indigenisation of above innovative HVAC product.

Note:12.4

Depreciation of Rs. 862,003 provided earlier year is reversed due to sale of one of the immovable property of the Company located at Thane .

Note:12.5

In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the previous year carried out an exercise of identifying assets that may have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2018.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for year ended 31st March, 2017
Note: 12 TANGIBLE ASSETS (Last Year)

| Name Of Asset | Gross Block As on 1-Apr-16 | Addition During the period | Deduction during the period | Gross Block As On 31-Mar-17 | Depreciation Upto 1-Apr-16 | Depreciation For the period | Transfer to Reserve | Depreciation Adjustment/ Deletion | Total Depreciation | Net Block As On 31-Mar-17 | Net Block As On 31-Mar-16 |
|--|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|---|-----------------------|---------------------------------|---------------------------------|
| <u>TANGIBLE ASSETS</u> | | | | | | | | | | | |
| <u>(a) Buildings</u> | | | | | | | | | | | |
| Office Buildings | 8,724,460 | - | - | 8,724,460 | 1,807,878 | 335,717 | - | - | 2,143,595 | 6,580,865 | 6,916,582 |
| Factory Building | 35,867,700 | - | - | 35,867,700 | 5,891,309 | 2,839,976 | - | - | 8,731,285 | 27,136,415 | 29,976,391 |
| Guest House | 22,747,796 | - | - | 22,747,796 | 2,003,401 | 1,007,237 | - | - | 3,010,638 | 19,737,158 | 20,744,395 |
| <u>(b) Plant & Equipments</u> | | | | | | | | | | | |
| Owned | 2,776,049 | 123,714 | - | 2,899,763 | 558,509 | 415,846 | - | - | 974,355 | 1,925,408 | 2,217,540 |
| Owned, Given on Hire | 32,039,388 | 844,632 | - | 32,884,020 | 23,866,128 | 1,660,304 | - | - | 25,526,432 | 7,357,588 | 8,173,260 |
| Demo-Equipment | - | 1,249,850 | - | 1,249,850 | - | - | - | - | - | 1,249,850 | - |
| <u>(c) Furniture & Fixtures</u> | 1,599,725 | 2,622,140 | - | 4,221,865 | 1,120,108 | 140,874 | - | - | 1,260,982 | 2,960,883 | 479,617 |
| <u>(d) Vehicles</u> | 3,849,101 | - | - | 3,849,101 | 2,320,699 | 392,120 | - | - | 2,712,819 | 1,136,282 | 1,528,402 |
| <u>(e) Office Equipment</u> | | | | | | | | | | | |
| Office Equipment | 392,744 | - | - | 392,744 | 321,012 | 31,082 | - | - | 352,094 | 40,650 | 71,732 |
| Computer | 2,229,767 | 150,819 | - | 2,380,586 | 1,876,368 | 289,603 | - | - | 2,165,971 | 214,615 | 353,399 |
| <u>INTANGIBLE ASSETS</u> | | | | | | | | | | | |
| <u>(a) Software</u> | 960,662 | 75,000 | - | 1,035,662 | 738 | 616,539 | - | - | 617,277 | 418,385 | 959,924 |
| TOTAL | 111,187,392 | 5,066,155 | 0 | 116,253,547 | 39,766,150 | 7,729,298 | - | - | 47,495,448 | 68,758,099 | 71,421,242 |
| Previous year | 97,392,283 | 3,691,969 | 873,100 | 100,211,152 | 33,169,415 | 6,946,338 | - | 391,677 | 39,724,076 | 60,487,076 | 64,222,868 |

Note: 12.1

Consequent to the enactment of the Companies Act, 2013 (the Act) applicable from April 01, 2014, the Company has reassessed the remaining useful life of fixed assets under Schedule II to the Act. Accordingly, Rs. 3,38,227/- is charged to Reserve account and Rs.23,89,861/- is being charged as additional depreciation for the period ended March 31, 2015.

Note: 12.2

Depreciation adjustment/deletion includes Rs.1,48,556/-towards reversal of excess depreciaton provided in earlier year on vehicles and computerr.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| Note 13: | NON CURRENT INVESTMENTS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | Non Trade | | |
| 13.1 | Quoted Investments | | |
| | Investments in Mutual Funds | | |
| | Kotak Select Fund | 20,000 | 20,000 |
| | 2,000 Units (2,000 Units) of Rs. 10 each | | |
| | Total Quoted Investments | 20,000 | 20,000 |
| | Aggregate Market Value of Quoted MF | 65,960 | 57,484 |
| 13.2 | Unquoted Investments | | |
| | Investments in Equity Instruments | | |
| | The Thane Janata Sahakari Bank Ltd | 495,000 | 495,000 |
| | NIL (10,000) shares of Rs. 50 Each fully paid up | | |
| | Investment in Government Securities | | |
| | National Savings Certificate | 20,000 | 20,000 |
| | Total Unquoted Investments | 515,000 | 515,000 |
| 13.3 | Other Investment : Gold Coin | 47,122 | 47,122 |
| | | 582,122 | 582,122 |

13.5 For basis of valuation refer note no. 1.7 of Significant Accounting Policy

| Note 14: | LONG TERMS LOANS & ADVANCES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | (Unsecured Considered Good) | | |
| | Capital Advances (Refer Note 14.1) | 7,223,668 | - |
| | Rent Deposit | 1,141,902 | 1,141,902 |
| | Deposit with Suppliers | 755,858 | 755,858 |
| | Other Deposits | 386,032 | 626,986 |
| | | 9,507,460 | 2,524,746 |

14.1 Advance for purchase of immoveable property at Pune Taluka

| Note 15: | OTHER NON CURRENT ASSETS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--|--|--|
| | (Unsecured Considered Good) | | |
| | Retention with customers | 365,385 | 365,385 |
| | Advance tax and TDS (net of provision for tax) | 5,082,544 | - |
| | Miscellaneous Exp (to the extent not W/off) | 3,948,043 | 6,529,025 |
| | | 9,395,972 | 6,894,410 |

15.1 Miscellaneous Exp (to the extent not W/off) Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy

| Note 16: | INVENTORIES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|--------------------------------|--|--|
| | Stock of raw materials | 29,254,578 | 24,677,299 |
| | Stock of Spares and Components | 29,745,952 | 28,215,573 |
| | Finish Goods | 3,747,317 | 6,218,550 |
| | | 62,747,848 | 59,111,422 |

For basis of valuation refer note no. 1.8 of Significant Accounting Policy

| Note 17: | TRADE RECEIVABLES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|-----------------|---|--|--|
| | Trade Receivables | | |
| | (Unsecured Considered Good) | | |
| | Outstanding for a Period exceeding six months | 30,821,761 | 28,325,543 |
| | (From the due date of payment) | | |
| | Others | 41,881,768 | 56,715,652 |
| | | 72,703,529 | 85,041,195 |

17.1 The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation. Out of the above Trade Receivables, in one receivable namely Unity Infra the amount of around Rs.65 lakhs receivable, case is now filed with NCLT. Other customer named "Panaromic group" where the receivable amount is around is Rs 150 lakhs is in process of filling the case with NCLT.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| Note 18: | CASH & BANK BALANCES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|---|---|--|--|
| | Cash and cash equivalents | | |
| | Cash on hand | 84,999 | 614,953 |
| | Balance with Banks | | |
| | Balances with banks | 52,409 | 1,088,391 |
| | - Margin Money for Bank Guarantees* | 9,901,847 | 5,118,152 |
| | | 10,039,255 | 6,821,496 |
| | * Represents Fixed Deposits pledged with bank as margin money for the issue of bank guarantees & LC | | |
| Note 19: | SHORT TERM LOANS & ADVANCES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | (Unsecured Considered Good) | | |
| | Advance to Suppliers | 4,951,130 | 8,581,206 |
| | Advance to Employees | 107,000 | 306,000 |
| | Deposit_ Govt Authorities_ pending Cases | 2,873,033 | 3,032,511 |
| | Other Advances & Deposits | 8,030,540 | 7,994,881 |
| | | 15,961,704 | 19,914,598 |
| 19.1 The Balances of Short Term Loans and advances are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation. | | | |
| Note 20: | OTHER CURRENT ASSETS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | (Unsecured Considered Good) | | |
| | Retention with customers | 8,017,163 | 8,482,548 |
| | Accrued receivable | 63,063,361 | 42,301,081 |
| | Prepaid expenses | 258,942 | 590,218 |
| | Balance with Revenue Authorities | 1,093,795 | 944,386 |
| | Accrued Interest on Bank Fixed Deposit/NSC | 7,722 | 5,672 |
| | Due from Ex-employees | 57,385 | 57,385 |
| | Other Receivable | 7,104,431 | 3,297,388 |
| | Miscellaneous Expenses (to the extent not w/off) (Refer Note No. 15.1) | 1,817,446 | - |
| | TDS Receivable | 2,177,430 | - |
| | | 83,597,675 | 55,678,678 |
| Note 21: | REVENUE FROM OPERATIONS | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | Sale of Panels/sale of electricals panels | 5,664,878 | 8,031,632 |
| | Trading/ Installation & Commissioning of AC | 87,966,436 | 134,493,872 |
| | Renting of Air Conditioners | 9,731,069 | 1,115,186 |
| | Sale of Services | 2,803,214 | 19,134,328 |
| | Other operating income | 236,041 | 859,722 |
| | | 106,401,637 | 163,634,740 |
| Note 22: | OTHER INCOME | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | Interest Income from Bank Deposits | 335,558 | 571,445 |
| | Dividend Income | - | 75,000 |
| | Net gain on foreign currency transaction | - | - |
| | Profit on Sale of Fixed Asset | 2,459,492 | - |
| | Sundry provisions and credit balances no longer required, written back | 2,620,323 | 1,391,144 |
| | Profit/Loss on Sale of Shares | - | 214,682 |
| | Rent Income | - | - |
| | Other non-operating income | 46,250 | 178,233 |
| | Discount Received | 403,373 | - |
| | | 5,864,996 | 2,430,503 |
| Note 23: | COST OF MATERIALS / SERVICES CONSUMED | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| | Opening Stock of Raw Material | 59,111,422 | 54,674,841 |
| | Purchases | 43,118,257 | 72,503,297 |
| | Machine Hire Charges | 10,350 | 900,000 |
| | Labour | 1,093,633 | 3,483,687 |
| | Site expenses | 4,492,068 | 5,059,652 |
| | Less: Closing Stock of Raw Material | 62,747,848 | 59,111,422 |
| | Total (A) | 45,077,882 | 77,510,055 |

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2018

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|--|--|--|
| B: OTHER MANUFACTURING AND OPERATING EXPENSES | | |
| Power & Fuel | 3,000 | - |
| Factory Rent | - | - |
| Factory Expenses | - | 23,079 |
| Transportation charges | 58,529 | 36,038 |
| Total (B) | 61,529 | 59,117 |
| Total (A+B) | 45,139,411 | 77,569,171 |
| Note 24: EMPLOYEE BENEFIT EXPENSES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| Salaries, wages and bonus | 22,455,708 | 26,614,893 |
| Contribution to provident and other funds | 520,045 | 5,779,613 |
| Gratuity | (1,011,251) | 390,000 |
| | 21,964,502 | 32,784,506 |
| Note 25: FINANCE EXPENSES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| Interest paid to Banks | 17,471,199 | 13,374,079 |
| Interest Paid to Others | 215,468 | 1,973,539 |
| Other Borrowing Costs | 1,556,572 | 2,011,919 |
| | 19,243,239 | 17,359,537 |
| Note 26: OTHER EXPENSES | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| Auditor's Remuneration (Refer Note 26.1) | 490,000 | 450,000 |
| Communication Costs | 460,074 | 717,068 |
| Business Promotion expenses | - | 367,500 |
| Discount | 282,321 | 497,552 |
| Insurance | 307,452 | 264,256 |
| Legal & Professional Fees | 3,476,704 | 2,961,283 |
| Books & Periodicals Subscriptions and Membership | - | 82,236 |
| Miscellaneous Expenses | 581,238 | 615,896 |
| Packing Expenses | 4,125 | 10,170 |
| Power & Fuel | 954,524 | 859,930 |
| Postage & Courier Charges | 76,753 | 79,248 |
| Printing & Stationery | 198,262 | 486,860 |
| office exp | 876,177 | 17,900 |
| Rent Rates & Taxes | 1,094,649 | 1,239,229 |
| Repairs and Maintenance Expenses | 338,473 | 832,860 |
| Security services | 136,000 | 68,170 |
| Indirect Taxes Paid | 63,294 | 18,834 |
| Transportation charges | 824,844 | 2,698,778 |
| Society Maintenance Charges | 278,614 | - |
| Sitting Fees | 128,000 | 235,000 |
| Travelling & Conveyance | 3,789,977 | 5,598,618 |
| Registration Fees | - | 3,125 |
| Miss Exp W/Off | 7,010 | 7,010 |
| Share Issue Expenses W/off | 1,810,436 | 2,706,533 |
| Site Exp | 44,300 | - |
| | 16,223,227 | 20,818,055 |
| 26.1 Payment to Auditor | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
| Statutory Audit & Tax Audit | 490,000 | 450,000 |
| | 490,000 | 450,000 |

NOTE 27: EARNINGS PER SHARE

The Company reports earnings per shares (EPS) in accordance with AS 20, on 'Earnings per Share' issued by ICAI. Basic EPS is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

| Particulars | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|---|------------------------------------|------------------------------------|
| Profit before Tax | 2,256,952 | 9,804,675 |
| Less : | - | - |
| Provision for Tax & Deferred Tax | 1,330,276 | 3,805,563 |
| Profit after tax | 926,676 | 5,999,112 |
| Weighted Number of Shares | 8,208,762 | 7,709,408 |
| Basic & Diluted EPS | 0.11 | 0.78 |

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2018

NOTE 28: RELATED PARTY DISCLOSURES

Related parties with whom transactions have taken place during the period

| | | |
|---------------------------------|---|-------------------------|
| Key Management Personnel | Mr. Nimesh Natwarlal Mehta Mrs. Manisha Nimesh Mehta | CMD DIRECTOR FINANCE |
| Other Related Parties | Manan Rajendra Doshi Share Holder More Than 5% | |
| Subsidiary Company | Perfect Control Panels Pvt Ltd | |

Related Party Transactions :

| Particulars | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|---|------------------------------------|------------------------------------|
| Key Management Personnel | | |
| Remuneration to Directors | 3,457,620 | 4,302,000 |
| Sale to Proprietary Concern of Director | - | - |
| Purchase from Proprietary Concern of Director | - | - |
| Rent Paid | - | 230,000 |
| Loan received | 15,258,873 | 2,258,037 |
| Other Related Parties | | |
| Purchase | - | 25,000 |
| Rent Paid | 200,000 | 218,000 |
| Salary Paid | - | 300,000 |
| Key Management Personnel | | |
| Trade receivables | - | 321,054 |
| Trade Payables | - | - |
| Remuneration Payable | 729,219 | 172,242 |
| Loan Payable | 152,258,873 | 2,258,037 |

NOTE 29: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006:

Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

As at March 31, 2018, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company.

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS

| Description | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|---|------------------------------------|------------------------------------|
| 30.1 CONTINGENT LIABILITIES | | |
| Bank Guarantees | 48,153,675 | 37,289,407 |
| Disputed Sales Tax liabilities for which appeal is pending (Amount deposited Rs.20427000-964000) | 19,481,000 | 14,630,229 |
| 30.2 COMMITMENTS | | |
| Estimated amount of capital commitments not provided for (Net of Advances) | Nil | Nil |
| 30.3 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT | Nil | 1,315,253 |
| 30.4 The Sale tax Authorities have carried out survey/search in respect of the Company's operations In Maharashtra under MVAT Act,2005 on 5/4/2016. No specific demand is raised on the Company so far and also the Management is confident that no major liability will be payable by the Company in respect of the said search/survey. Meanwhile the Company has deposited Rs.20,00,000/- under protest. | | |

NOTE 31: EARNINGS & EXPENDITURE IN FOREIGN CURRENCY (on ACCRUAL BASIS):

| | 31st March,2018 Amount in (Rs.) | 31st March,2017 Amount in (Rs.) |
|------------------------------|------------------------------------|------------------------------------|
| Technical know how fees(WIP) | 41,966,084 | 628,061 |
| Travelling Expenses | 350,000 | 140,500 |
| | <u>42,316,084</u> | <u>768,561</u> |

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2018

| NOTE 32: | VALUE OF IMPORTS (on CIF Basis) | 31st March,2018 | 31st March,2017 |
|-----------------|--|------------------------|------------------------|
| | | Amount in (Rs.) | Amount in (Rs.) |
| | Purchase of Goods | 3,800,000 | - |

NOTE 33: Operating Leases

The Company's lease agreements are in respect of operating lease for office premises. These lease arrangements are cancellable by either parties there to as per the terms and condition of the agreements.

NOTE 34: Segment Reporting

The Company is predominantly in the business of execution of HVAC & MEP Contracts and allied activities in India and as such there are no separate reportable segments and the subsidiary Company is predominantly in the business of manufacturing of Electrical Control panels and allied activities and as such there are no separate reportable segments.

NOTE 35: PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current periods classification/disclosure.

As per our Report of even date
For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688
Place: Mumbai
Date: 03/09/2018

Nimesh Mehta
Chairman & Managing Director
DIN:00247264

Manisha Mehta
Director- Finance
DIN:00247274

Poonam Maurya
Company Secretary
ACS:A41916