



ANNUAL REPORT

2022 - 2023



**"Perfect commissions first ever SOL Thermal
Air Conditioning system with VRF at Navi Mumbai Factory."**



SOL THERMAL
HYBRID CLIMATE SYSTEMS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Nimesh Natvarlal Mehta	Managing Director (Designation changed from CEO w.e.f 01.12.2022)
Mr. Manisha Nimesh Mehta	Executive Director and CFO (Appointed as Director w.e.f 01.12.2022)
Mr. Rakesh Chauhan	Independent Director
Mr. Raj Shekhar Singh	Independent Director
Mrs . Gurinder Kaur	Independent Director
Mr. Arun Kumar Singh	Non Independent Non-Executive Director (Resigned w.e.f 10.01.2023)

KEY MANAGERIAL PERSONNEL

Mr. Manisha Nimesh Mehta	Chief Financial Officer
Ms. Maryam Bahnan	Company Secretary and Compliance Officer (Appointed w.e.f 19.09.2022)
Ms. Zainab Chanki	Company Secretary and Compliance Officer (Resigned w.e.f 26.08.2022)

SECURITIES LISTED ON

National Stock Exchange of India (SME Emerge)

CORPORATE IDENTITY NUMBER

L29190MH1996PLC099583

STATUTORY AUDITORS

M/s JCRC & Co, Chartered accountants, Mumbai

REGISTERED OFFICE

R 637 TTC Industrial Area MIDC Rabale, Navi
Mumbai 400 701

Email ID: info@perfectinfra.com

Website: www.perfectinfra.com

REGISTRAR & SHARES TRANSFER AGENT

Kfin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad, Karnataka 500032
Contact No.: +91 40 67161524
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

SENIOR MANAGEMENT

Mr. Krishna Mehta
Marketing Head

INTERNAL AUDITOR

Satyendra & Associates.
Chartered Accountants, Vashi, Navi Mumbai

NOTICE

PERFECT INFRAENGINEERS LIMITED

CIN: L29190MH1996PLC099583

R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai Thane – 400708,

Maharashtra, India, Tel: 022-2760 6264, Email: info@perfectinfra.com and

Website: www.perfectinfra.com

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PERFECT INFRAENGINEERS LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 28, 2023 AT 12.00 P.M. IST THROUGH VIDEO CONFERENCE / OTHER AUDIO-VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Business:

- 1. To consider and adopt (a) the audited financial statement of the Company for the financial yearended March 31, 2023 and the reports of the Board of Directors and Auditors thereon;**

To consider and if thought fit, to pass the following resolutions as an **Ordinary Resolution:**

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

- 2. To appoint a Director in place of Mrs. Manisha Mehta (DIN 00247274) who retires by rotation and is eligible for reappointment;**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT Mrs. Manisha Mehta (DIN 00247274) be and is hereby re-appointed as a Director of the Company, and that her period of office be liable to determination by retirement of Directors by rotation.”

For and on behalf of Perfect Infraengineers Limited

Sd/-

Ms. Maryam Bahnan

Company Secretary & Compliance Officer

Date: 4th September 2023

Registered Office Address: R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai Thane – 400701, Maharashtra, India

NOTES:

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 28th December, 2022, 5th May, 2022, 14th December, 2021 read with circulars dated 13th January, 2021, 5th May, 2020, 8th April 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its circulars dated 5th January, 2023, 13th May, 2022 read with 15th January, 2021 and 12th May, 2020 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 27th AGM of the Company is being held through VC / OAVM. The Members can attend and participate in the 27th AGM through VC/ OAVM.

1. The AGM shall be deemed to be held at the Registered Office of the Company at R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane – 400708, Maharashtra.
2. Since, the AGM is being conducted through VC/OAVM, appointment of proxies is not applicable. Accordingly, appointment of proxies by the members will not be available.
3. Non-individual Members (i.e., Institutional / Corporate Members) intending to participate through their Authorized Representatives are requested to send a scanned copy (in JPEG / PDF format) of a duly certified Board Resolution authorizing their representative(s) to participate and vote on their behalf at the AGM (through e-voting), pursuant to Section 113 of the Act, to the Company at cs@perfectinfra.com with a copy marked to evoting@nsdl.co.in
4. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
5. The Company does not have any special business hence Explanatory statement has not been provided.
6. In compliance with the aforementioned MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website <https://perfectinfra.com/investor-relations/>, website of National Stock Exchange i.e., www.nseindia.com and on the website of NSDL i.e., www.evoting.nsdl.com.
7. Members holding physical shares who have not registered their email addresses can get the same registered with the company by sending an email to cs@perfectinfra.com

8. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 Company is pleased to provide the members to exercise their right to vote at 27th Annual General Meeting of the Company by electronic means through E-voting facility provided by National Securities Depository Limited.
9. Ms. Prajakta Padhye (FCS :7478, CP:7891), Partner of Nilesh A. Pradhan & Co. LLP, Company Secretaries have been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall immediately after the conclusion of voting at the meeting unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and prepare Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman or Director or Company Secretary authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

Please submit duly Mention Folio No. or DP/Client ID, Name of Member, Certificate No, Permanent Account Number (PAN), Mobile Number, Email-Id along with a self-attested copy of your PAN Card / Aadhar / Valid Passport etc. to the abovementioned email. Upon verification of the information, the email will be registered with the Company.

Members holding shares in electronic mode are also requested to register/update their email address, PAN and Bank Account details with the Depository Participant where their respective dematerialised accounts are maintained

Members seeking any information with regard to any matter to be placed at the AGM including any queries in relation to Annual Report are requested to write to the Company through an email at cs@perfectinfra.com

10. Relevant documents referred to in this Notice shall be made available for inspection based on the requests received by the Company at cs@perfectinfra.com or at the registered office of the Company during business hour.
11. Members may note that, as mandated by SEBI, effective April 1, 2019, requests for effecting transfer of securities held in physical mode cannot be processed by the Company, unless the securities are held in dematerialized form. Hence, Members are requested to dematerialize their shares if held in physical form.
12. Any person becoming a Member of the Company after the Notice of the Meeting is sent out through e- mail and holds shares as on the cut-off date i.e., September 22, 2023, may obtain the user ID and Password by sending a request to evoting@nsdl.co.in and can exercise their voting rights through remote e-voting by following the instructions listed herein below or by voting facility provided during the meeting
13. The business set out in the notice will be transacted through remote e-voting system and the instructions and other information relating to remote e-voting provided by National Securities Depository Limited are given herein below in this Notice. In case of any queries or grievances in connection with remote e-voting, the shareholders may write to the registered office address of the Company.

14. The results declared along with the Scrutiniser's Report will be placed on the website of the Company <http://www.perfectinfra.com/> and on the website of NSDL within two days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited.
15. The Notice shall be hosted on the website till the conclusion of the Meeting.
17. The recorded transcript of the AGM will be hosted on the website of the Company post the AGM.

E-VOTING:

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted at the 26th Annual general Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the AGM, (remote e- voting) will be provided by National Securities Depository Limited.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on 25th September 2023 at 9 A.M. and ends on 27th September 2023 at 5 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section

, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



App Store



Google Play



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.

	<p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

1. Password details for shareholders other than Individual shareholders are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - d. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for

shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

e. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

4. Now, you will have to click on "Login" button.

5. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with

attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@napco.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to cs@perfectinfra.com any time before 5:00 p.m. IST on Wednesday, September 21, 2022, mentioning their name, Demat account number/ folio number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time

DIRECTOR'S REPORT

Your Director's take pleasure in presenting the 27th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required however the report is based on standalone financial statements only.

1. FINANCIAL RESULTS

Particulars	Period	
	March 31, 2023	March 31, 2022
Total Income (I)	7,23,25,100	4,66,03,629
Less: Expenditure	6,01,25,969	5,19,94,834
Less: Depreciation	1,09,46,588	1,11,74,574
Total Expenditure (II)	7,10,72,557	6,31,69,408
Profit Before Tax (PBT) (I-II)	12,52,543	(1,65,65,779)
Tax Expense:		
Deferred tax Liability/(Asset)	(47,34,199)	23,20,000
Profit After Tax (PAT)	59,86,742	(1,88,85,799)

During the financial year under review, on a standalone basis, the Company recorded revenue of Rs. 7,23,25,100 as against revenue of Rs. 4,66,03,629 in the previous year. Net profit for the year stood at Rs. 59,86,742 as compared to loss of 1,88,85,799 in the previous year.

2. NATURE OF BUSINESS

The Company is into Manufacturing and trading of Hybrid Thermal Solar Panel and MEP contracting and there has been no change in the nature of business during the year under review.

3. TRANSFER TO RESERVE

The Board has not recommended any amount to transfer to General Reserve during the year 2022-2023.

4. DIVIDEND

The Board of Directors does not recommend any dividend in order to conserve the profits for future growth of the company.

5. SHARE CAPITAL

The paid-up share capital of the Company is Rs. 11,06,37,780/- divided into 1,10,63,778 equity shares of Rs. 10/- each as on March 31, 2023.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

As on 31st March, 2023, the Company does not have Subsidiary and Associate Company pursuant to the provisions of the Companies Act, 2013. The subsidiary of the Company Perfect Control Panels Private Limited has ceased to be the subsidiary of the Company w.e.f. 30th September 2021.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not granted any loan or guarantee in connection with the loan during the year under review. The details of non-current investment are provided in Note No. 13 of the Standalone Financial Statements.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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. There were no transactions for which consent of the Board of Directors were required to be taken. 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 1"** to this Report.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related party transactions were approved by the Audit Committee and the same have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with the relevant accounting standards.

The policy on Related Party Transactions has been uploaded on the Company's website.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

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

- Similar to last year your Company has continued with maximum use of natural light in the factory and conserving electrical energy.

iii. Capital Investments on energy conservation equipment

- The Company has installed in its factory, adjacent training centre and office with inhouse Solar Thermal Climate System. It saves 50% of Air Conditioning electricity bill.

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Your Company is committed to introducing new products and improving existing products to have better performance levels. Your Company and its collaborator Suntrac Solar Manufacturing LLC, USA have tied hands to take forward the innovative technology product in Air conditioning further across the globe.

The second-generation advanced innovative hybrid panel is under testing at various benchmark sites. This second generation panel comes with IoT compatibility which will enable the panel to send real-time information on electrical savings.

Improved technical productivity through new methodologies and technologies, is being continuously pursued to reduce the costs associated with new product development and customer support.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. Payments in foreign currency towards Imports:

Imports at CIF Value	2022-23	2021-22
Purchase of Goods (Rs.)	67,02,789	12,25,584
Total	67,02,789	12,25,584

ii. Payments in foreign currency towards Expenditure:

Imports at CIF Value	2022-23	2021-22
Technical know-how fees (WIP)	-	-
Capital Goods	-	-
Travelling Expenses	-	-

iii. Earnings in foreign currency on Accrual basis:

Earnings in foreign currency	2022-23	2021-22
Exports – Products	-	-
Exports – Services	-	-

iv. Net Gain or Loss on Foreign Currency Translation

Description	2022-23	2021-22
Profit on Foreign Currency Translation	-	-

10. ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the 96 Annual Return as at March 31, 2023 on its website at www.perfectinfra.com. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

11. RISK MANAGEMENT:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also

Identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis.

12. 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.

13. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a 'Vigil Mechanism Policy' which inter alia provides adequate safeguards against victimization of persons who may blow the whistle. Vigil Mechanism Policy may be accessed on the Company's website <https://perfectinfra.com/hvac/>

14. 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 March 31, 2023, 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 March 31, 2023 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 March 31, 2023;
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 March 31, 2023 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.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Composition of the Board of Directors:

Appointment and Re-appointment

During the year, the Designation of Mr. Nimesh Mehta (00247264) was changed From CEO to the Managing Director vide Board Meeting Held on 1st December 2022.

During the year Mrs. Manisha Mehta was appointed as the executive Director of the Company in addition to her post of CFO by the Board of Directors in the Board Meeting held on 1st December 2022.

Designation of Mr. Arun Kumar Singh (DIN: 07509685) had been changed from Whole time Director to Non-Executive Non Independent Director on 1st December 2022, subsequently he resigned from his position on 10th January 2023.

Cessation of the Directors

During the year, Mr. Arun Kumar Singh (DIN: 07509685) resigned as Director with effect from 10th January 2023.

Appointment of Key Managerial Personnel

During the year, Mr. Nimesh Mehta (00247264) was appointed by the Board as the Managing Director on 1st December 2022.

During the Year Ms Zainab Chanki resigned from her post of Company Secretary on 26th August 2022 and Ms Maryam Bahnan was appointed in her place from 19th September 2022.

b. Committees of the Board:

The Board of Directors have constituted following Committees in order to effectively cater its duties towards diversified role under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

- Audit Committee;
- Stakeholders Relationship Committee;
- Nomination and Remuneration Committee;

c. Policy on Directors' Appointment and Remuneration:

The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of the directors and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board is available on www.perfectinfra.com. The remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

d. Board Performance Evaluation Mechanism:

Pursuant to the provisions and based on the criteria specified in the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of individual Directors, Chairman of the Board, the Board as a whole and its statutory Committees. Details of the evaluation mechanism is as follows:

A meeting of the Independent Directors was held on 14th March 2023 wherein performance of Non-Independent Directors, Chairman of the Board and of the entire Board was evaluated.

The entire Board met to discuss the findings of the evaluation with the Independent Directors. The Board then evaluated the performance of the Individual Directors, the Board as a whole and the Committees of the Board.

On completion of the above process, individual feedback was shared with each Director.

The Directors were satisfied with the outcome of the Board effectiveness and have expressed their satisfaction with the assessment process.

e. Familiarization Programme for Independent Directors:

During the year, the Management had a one-to-one discussion with the newly appointed Independent Directors to have a better insight of the Company. The CEO and CFO has given details of initiatives for the Director to understand the Company, its business and the regulatory framework in which the Company operates and equip him/ her to effectively fulfil his/ her role as a Director of the Company.

f. Declarations from Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adherence to Schedule IV of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

16. NUMBER OF BOARD MEETINGS:

During the year under review, 6 (Six) Meetings of the Board of Directors of the Company were held viz on May 30, 2022, August 08, 2022, September 19, 2022, November 14, 2022, December 01, 2022 & March 14, 2023.

17. PARTICULARS OF EMPLOYEES:

The details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March, 2022, are given in “**Annexure 3**” to this Report.

18. AUDITORS:

STATUTORY AUDITORS:

At the 26th Annual General Meeting of the Company held on September 24, 2022 M/s. JCR and Co., Chartered Accountants, (Firm Registration No. 105270W) were re-appointed as Statutory Auditors of the Company for a period of 2 financial years (22-23 and 23-24) and to hold office till the conclusion of 28th Annual General Meeting.

AUDITORS' REPORT:

The Auditors' Report on standalone and consolidated financial statements forms part of the Annual Report. The following are the qualifications, reservations, adverse remarks mentioned in the Auditors' Report and management reply against the same:

Sr. No.	Auditors Qualification /reservation /adverse remark /disclaimer	Managements Reply
Qualifications		
1.	The company has not provided the interest of Rs121.62 lacs on OD in the books of accounts due to which expenses are understated to that extent.	Since the matter is in litigation and impending before various courts, the management decided to not include it in the financials.
2.	Loan recalled by TDB has been not classified as Current Liabilities but shown as Non-Current Liabilities	The matter is before Arbitration and the supplementary deed is in the process.
Other Comments		
1.	NA	NA

Auditors Comment on Internal Financial Control		
1.	NA	NA

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)

SECRETARIAL AUDITOR:

M/s. Nilesh A. Pradhan & Co.LLP, Practising Company Secretaries was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2022- 2023 as required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR-3 for the F.Y. 2022-2023 is appended as **"Annexure 2"** to this Report. The following are the qualifications, reservations, adverse remarks mentioned in the Secretarial Audit Report and management reply against the same:

Sr. No.	Secretarial Auditors Qualification /reservation /adverse remark /disclaimer	Managements Reply
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1.	The Company has received notice from the National Stock Exchange of India Limited for incomplete disclosure under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial results for the financial year ended 31st March, 2022 and has paid the fine for the same.	The Company had given Disclosure for the Financial results within 60 days of end on financial Year as per SEBI Guidelines. The Company had missed out to provide statement of Impact of Audit Qualification along with the results, for which the exchange levied penalty for whole of noncompliance of regulation 33 i.e non submission of financial results. Penalty was bared by the company for the same.
	The Company has entered transactions with the one of the Related Party exceeding the limits as approved by Audit Committee in its omnibus approval pursuant to provisions of Section 177 of the Companies Act, 2013	Approval for the same has been taken in the Audit Committee meeting in the next Financial year. And noting of the Exceeded amount was made.

19. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis Report which forms part of this Report and is appended as “Annexure 4”.

20. SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

21. 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.

22. MATERIAL CHANGES AND COMMITMENTS OCCURRED DURING APRIL 01, 2022 TILL THE DATE OF THIS REPORT WHICH WOULD AFFECT THE FINANCIAL POSITION OF YOUR COMPANY:

There were no material changes and commitments occurred during April 01, 2022 till the date of this report which would affect the financial position of your company

23. SIGNIFICANT OR MATERIAL ORDERS WERE PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS WHICH IMPACT THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS:

Technology development Board during 2022-2023 filed an application under section 7 of Insolvency and Bankruptcy Code, 2016 in Hon'ble National Company Law Tribunal, Mumbai to initiate Corporate Insolvency Resolution process against the Company. The matter is ongoing. However, Company contends that the blocking of remaining credit facility by TDB was bad in law and therefore, Company has acted upon TDB under various Courts and Legal Remedies.

Further, your Company was penalized for non-compliance/delay in compliance with certain provisions of the of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

24. DEPOSITS:

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the financial year 2022-2023. Your Company did not accept any deposits during FY2022-2023

The following are the details of loan given by the Directors of the Company:

Sr. No.	Name of the Director from who has given loan	Amount (Rs.)
1.	Ms. Manisha Mehta	82,59,265
2.	Mr Nimesh mehta	61,17,534
	Total	1,43,76,799

25. COST RECORDS:

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.

26. CORPORATE SOCIAL RESPONSIBILITY:

Provision of Section 135 of the Companies Act, 2013 are not applicable to your Company, thus constitution of CSR Committee, development of policy and contribution towards CSR is not required.

27. GENERAL DISCLOSURE:

Your 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:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of sweat equity shares by the Company to its employees;
- Issue of shares under scheme of ESOP and ESPS to its employees.

28. ACKNOWLEDGEMENT:

Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and associates.

FOR PERFECT INFRAENGINEERS LIMITED

Mr Nimesh Mehta
Managing Director
00247264

Mr Rakesh Chauhan
Director
08974505

Date: 31st August 2023

Place: Mumbai

FORM AOC -2
PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY
WITH RELATED PARTIES

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of Companies (Accounts) Rules, 2014

This Form pertains to the disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

No contracts or arrangements or transactions were entered into during the year ended March 31, 2023, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

Nature and Particulars of transactions	Name of Related Party/s	Nature of Relationship	Silent Terms	Amount of the Transaction
Purchase of Material	Perfect Control Panels Private Limited	Director Relative of KMP of the Company	Purchase of Solar Hybrid Panel and components in the ordinary Course of Business	1,73,03,843
Sale of Material	Perfect Control Panels Private Limited	Perfect Control Panels Private Limited	Sale of Solar Hybrid Panel and components in the ordinary Course of Business	2,80,93,260
Remuneration	Nimesh Natvarlal Mehta	Promoter (Holding more than 20% of the Share Capital of the Company)	Remuneration to Chief Executive Officer/Managing Director	17,33,864
Remuneration	Manisha Nimesh Mehta	Promoter (Holding more than 20% of the Share Capital of the Company)	Remuneration to Chief Financial Officer	13,50,000
Remuneration	Krishna Mehta	Relative of KMP	Marketing head	6,33,984

Mr Nimesh Mehta
Managing Director
00247264

Mr Rakesh Chauhan
Director
08974505

Date: 31st August 2023

Place:Mumbai

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 MARCH 31,2023

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

We 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 us a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by “the Company” and submitted by the Company for verification through electronic mode and also the information provided by “the Company”, its officers, agents authorized representatives during the conduct of Secretarial Audit , the explanations and clarifications given to us, We hereby report that in our opinion, the Company, during the audit period covering the financial year ended March 31,2023 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended March 31,2023 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and External Commercial Borrowings;
- 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;

(c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(d) The Securities and Exchange Board of India (Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable as the Company has not issued any Share based Employee Benefits during the financial year under review);

(e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as the Company has not issued any further share capital during the financial year under review)

(f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (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, 2018 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The Company has received notice from the National Stock Exchange of India Limited for incomplete disclosure under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial results for the financial year ended 31st March, 2022 and has paid the fine for the same.

2. The Company has entered transactions with the one of the Related Party exceeding the limits as approved by Audit Committee in its omnibus approval pursuant to provisions of Section 177 of the Companies Act, 2013.

We further report that

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

The decisions at Board meetings and committee meetings are carried out unanimously or as recorded in the minutes of the meeting of Board of Directors or committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign Technical collaborations.

We further report that the Company has fully complied with the requirements of Structured Digital Database pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 by the end of financial year 31st March, 2023.

We further report that the Board of the Company has passed the resolution for migration of the Company from NSE EMERGE Platform to the Main Board of NSE and increase in authorized capital from Rs. 13 Crores to Rs.17.50 Crores in the month of March, 2023 and approval of Members has been sought through Postal Ballot.

We further report that an application under Section 7 of Insolvency and Bankruptcy Code, 2016 was filed by the Technology Development Board (TDB) against the Company with the Hon'ble National Company Law Tribunal, Mumbai to initiate Corporate Insolvency Resolution process with respect to the loan availed by the Company. However, the Company has invoked the arbitration clause and is in discussion with TDB for restructuring the term loan.

We 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 **Nilesh A. Pradhan & Co., LLP**
Company Secretaries

Prajakta V. Padhye
Partner

FCS No: 7478

CP No: 7891

PR No:1908/2022

UDIN: Foo7478E000911997

Place: Mumbai

Date: August 31, 2023

Note: This report should be read with our 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

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and internal Control System of the company.
4. Where ever required, more specifically with respect to the all other applicable laws , except as stated in Secretarial Audit Report we have obtained and relied upon the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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 **Nilesh A. Pradhan & Co., LLP**
Company Secretaries

Prajakta V. Padhye
Partner

FCS No: 7478

CP No: 7891

PR No:1908/2022

UDIN: Foo7478E000911997

Place: Mumbai
Date: August 31,2023

PART-A

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2022-2023:

- i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2022–23, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2022-23 is as under:

Sr. No.	Name of Director/ KMP	Designation	Remuneration for F.Y. 2022-2023 (in Rs.)	% change (increase / decrease) during the year	Ratio of Remuneration of each Director/ to median remuneration of employee
2	Mr. Nimesh Mehta	Chief Executive Director	17,33,000	28%	21.66
3	Mrs. Manisha Mehta	Director	13,50,000	NIL	16.5
4	# Ms. Zainab Chanki	Company Secretary	2,10,000	NIL	2.5
5	#Ms. Maryam Bahnan	Company Secretary	2,94,000	NIL	3.6
6	## Mr. Arun Kumar Singh	Non-Executive Non Independent Director	4,50,000	NIL	5.6

Zainab Chanki Resigned from her post on 26th August 2022.

Ms Maryam Bahnan was appointed from 19th September 2022

Mr Arun Kumar singh resigned w.e.f 10th January 2023.

- ii. The median remuneration of employees of the Company for the Financial Year was Rs. 80,00,000.
- iii. There was no increase in the median remuneration of employees in the Financial Year.
- iv. There were 50 permanent employees on the rolls of the Company as on March 31, 2023.
- i. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 22-23 and its comparison with the percentile increase in the managerial remuneration and justification thereof–There was increase in MD salary in the managerial remuneration in the FY 22-23
- vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

PART-B

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2022-2023:

Sr. No.	Name of Employee	Age	Qualification	Date of commencement of employment	Designation	Experience	Remuneration	Equity share held
1.	Girija Vinod Patel	46	B.Com	16.03.2006	HR	15	4,08,000	5000
2.	Pravin Pralhad Kapande	38	B.com	29.05.2015	Branch Head	6	3,60,000	-

None of the employees is a relative of any director or manager of the company.

FOR PERFECT INFRAENGINEERS LIMITED

Mr Nimesh Mehta	Mr Rakesh Chauhan
Managing Director	Director
00247264	08974505

Date: 31st August 2023

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Our Company was originally incorporated in the name and style of Perfect Aircon Engineering Pvt. Ltd. in May 1996 and took over the business of Perfect Engineering, a Proprietary firm which was started in the year 1992 by Mr. Nimesh Mehta, one of our Promoters. The Corporate identification number of our Company is L29190MH1996PLC099583. In the year 2015, our Company made an initial public offering of 25,08,000 Equity Shares of ₹ 10 each at par aggregating to ₹ 576.84 lakhs and listed its Equity Shares on SME Platform of NSE i.e., “EMERGE”. Our Company was listed on NSE with effect from November 20, 2015.

Initially, our Company started as its business of air conditioner repairing, sales & services which, we subsequently diversified as an engineering, procurement and installation (“EPI”) contractor, providing turnkey jobs of Heating Ventilation and Air Conditioning (HVAC) and also manufacturing of electrical panels. As an MEP contractor we primarily focus on supply, installation, testing and commissioning of HVAC units and also after sales services such as, under warranty service and annual maintenance contracts. We also generate our income from renting of air conditioners to various organisations such as, multinational corporation, corporate houses, etc. we serve 850 customers in our MEP vertical and 35 customers under our renting business.

Further, we entered into an exclusive licensing agreement with Suntrac Solar Manufacturing LLC dated June 2017 to manufacture and sell in India the hybrid thermal solar (“HTS”) panels and related proprietary products. Since 2017, we believe that we have successfully introduced innovative HTS panels in India and have since sold 350 units representing 4000 tonnages in the domestic and export market among 60 diversified sectoral customers. Our key domestic customers include government and semi-government organisations, public sector undertakings, local municipalities, private and public companies

We commenced our manufacturing operations of electrical panels in 2014 from our manufacturing facility at Rabale, Navi-Mumbai. Our manufacturing facility is spread over 800 sq. meters and is also a certified ISO 9001:2015, till 13th January 2024. Since, our diversification into manufacturing and assembly of HTS panels we have ceased to manufacture electrical panels. As on date of this Draft Letter of Offer, we have an installed capacity to manufacture and assemble 4,000 units per annum on double shift each of 8 hours per day.

We sell our HTS panels in India through a network of 20 resellers/distributors/dealers and also a network of 10 empanelled system integrators who are on-boarded with us which ensures that the end customers are accessing genuine products, uncomplicated purchase process and seamless technical guidance. These system integrators are trained and certified by our Company before they engage with our customers.

Our revenues (net of excise duty), on a consolidated basis, amongst the two major product lines can be broadly classified as under:

(Rs. in lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Hybrid Thermal Solar panels	612.77	300.94	14.07
EPI services	107.63	128.50	115.52

OUR PRODUCT

The 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 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.

'Perfect' was able to enhance its product range and services to existing as well as new HVAC clients. The production for the Hybrid Thermal System is successful and in full swing.

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 6 years renewable on completion of the said period.

- SOL Thermal System 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.

Perfect Provides ready to install complete 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. SOL Thermal system is able to deliver a COP of more than 6.

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 Company has joined hands with various dealers and has subsequently obtained few strategic businesses for sale of our new product. The Company is 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 Climate solar smart Panel Systems consisting of tracking parabolic concentrative solar reflectors, Painted Aluminum 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.

Company has successfully obtained ISO certification for the solar thermal system.

With this successful completion of product development and it's testing, the company is confident of giving substantial growth in next year performance.

RISK & CONCERNS

- **Effect of Lockdown imposed due to COVID-19 Pandemic:** In view of the lockdown measures imposed by the Central and State Governments due to COVID-19 pandemic, the operations of the Company came to a halt for a long time and were shut down during the lockdown period. Due to unpredictable situation evolving on account of pandemic, it is difficult to estimate the definite impact of COVID-19 on the operations of the Company. The disruption caused by Covid-19 and the resultant lockdown has impacted the sales performance and cash flows. The revenues and profitability of the Company were adversely impacted.
- **Slower Economy:** This year has resulted in demand moderation of HVAC systems and has given growth of 20 % this summer, however, increased cost of living has led to a greater emphasis on energy savings. The 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 growth.
- **Increased Government focus on energy conservation:** Current Government is keen on pushing energy conservation agenda, via promoting energy-efficient appliance. LED lights, energy-efficient Fans, efficient air-conditioners, etc. High emphasis is observed on measuring and reporting of energy consumption at an increasingly granular level. Private industries are also very keen to monitor energy utilization, is also due to the fact that the energy consumption level in the HVAC appliances is comparatively higher. This has remarkably increased awareness for efficient air conditioners.
- **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. Most of the air conditioners manufacturers are pressing hard for inverter ac sales.
- **Push towards Green Energy:** Cost of electricity is on the rise internationally especially in UAE where electricity was highly subsidized by Government. Due to withdrawal of this subsidy, cost

has increased drastically. This has made an overall sentiment for the need of more and more energy-efficient machines. Environmental factors like ozone depletion and global warming and available innovative renewable energy options have resulted in an increased push for solar products.

- **Consumer demand:** The pandemic has certainly impacted the overall consumption trend and consumer spending. Discretionary spending has been hit hard as the entire country is sitting at home. Consumers can't go out and spend like they used to. Even after the lifting of lockdown, consumer will be in a reactive mood, pushing sales of selective categories. For individuals, a healthy, safe and comfortable environment will become the top-most priority. Spending will go up in these areas boosting demand for air conditioners as well.
- **Labour shortage:** Labour shortage is going to be a big challenge for manufacturing as a majority of migrant labours have returned to their hometowns amid the lockdown enforced in the country. Availability of service technicians has been a challenge.
- **Seasonality business:** The Company's AC and AC components businesses are highly dependent on summer. Its demand goes down during monsoon and winter. Changes in weather conditions like unusually heavy monsoons or cooler summers can impact the Company's margins.

Company's Strengths

We are an exclusive manufacturer and seller of HTS panel, a technology patented in the US by Suntrac Solar Manufacturing LLC and having strong presence in domestic markets.

We have entered into an exclusive licensing agreement with Suntrac Solar Manufacturing LLC dated 20th June 2017 to manufacture and sell in India the hybrid thermal solar ("HTS") panels and related proprietary products. Our agreement with Suntrac Solar Manufacturing LLC is valid for a period of 7 years since 20th June 2017 extendable every 3 years. We believe that over the years, we have successfully established the market for HTS in India and have since sold 350 units representing 4000 tonnage in the domestic and export market. Our key domestic customers include government and semi-government organisations, public sector undertakings, local municipalities, private and public companies

We have an extensive presence in the domestic market having pan-India presence in 10 states and 2 union territories through an extensive distributor network of 30 resellers/distributors/dealers and also a network of 15 empanelled system integrators who are on-boarded with us which ensures that the end customers are accessing genuine products, uncomplicated purchase process and seamless technical guidance. These system integrators are trained and certified by our Company before they engage with our customers. As our strategy we empanel and train dealers / distributors / reseller who are technically qualified for engineering services, have existing business connection with our target customers and have strong local presence

Large order book providing clear visibility on future growth

As of March 31, 2022, we had an Order Book (which includes our products made part of the tender specification which is awarded to EPC contractors / letters of intent/ purchase orders) of ₹ 1500 lakhs, of which ₹250 lakhs comprise projects/ operations which are already under execution and ₹1250 lakhs comprise projects which are yet to be executed.

Through the Order Book, we aim to achieve higher customer diversification across type (by increasing sales to government and private sector, including OEMs) and geographies (through exports to African countries).

Experienced promoters, Management Expertise and Skilled Workforce

Our Promoters, Nimesh Mehta and Manisha Mehta is having good experience of several years in the EPI, HVAC and HTS panel. As all the Promoters are having strong educational background, technical knowledge, leadership qualities and marketing skills leads the Quality, Research Development, Marketing, Purchase and Imports Exports departments of the Company. With their diligence, the company has established a presence in the HTS industry in India. For further details regarding the educational qualifications and experience of our Board of Directors and our Key Managerial Personnel please refer to chapter titled “Our Management” beginning on page [●] of this Draft Letter of Offer. We believe that our management teams experience and their understanding of the heating ventilation air conditioning industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent in our business.

Our Business Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Strengthening our business through product innovation and expanding our product application

Our product, HTS panels finds its application in centralised chiller systems and ductable roof top air conditioners. HTS panels are disruptive technology in air conditioning which uses the thermal energy of the sun and reduces the compressors energy consumption. As a strategy we have over the years ventured into new and innovative products and shifted our focus from being a pure play EPI vendor to a technology-based manufacturer of HTS panels in India under the exclusive licensing agreement with Suntrac. Further, our arrangement with Suntrac enables us to experiment on related proprietary products that they develop. This arrangement gives us access to a range of new and innovative product.

Furthermore, we are constantly pursuing opportunities and product segments which leverage our existing technology platform and know-how. In particular, we currently find application for our products in chiller systems and ductable roof top air conditioners which we, intend to expand to newer applications like cold storage systems.

We also plan to enter into tie-ups and arrangement with original equipment manufacturers which we believe would help the end users through installation of energy efficient air conditioning and the OEM's by supplying a bundled product like hybrid VRF.

Strengthening up our business through working more on the trade channels and increasing the width of distribution

We see a big opportunity to grow further and faster, provided we can aid the awareness and trial generation effort through campaigns, complemented by our effort in the channels for availability of required quantity and quality. While we currently have 30 distributors/dealers/retailers spread across the country, we plan to increase the number of our service partners over the years. Our marketing and engagement plan addresses the key important drivers that would help us reach our consumers in a more effective manner. The investment here would be in improving in channel awareness, visibility, training, trade engagement and consumer engagement programs.

Focus on increasing operational and financial efficiency

We plan to continue focusing on operational and financial efficiency by investing in our design and development team and their engineering efforts. We also focus on recruiting, training and retaining a talented workforce and offer training and career opportunities. In addition, we continue to focus on our risk assessment matrix and stay updated with new technology. Through our market approach, we intend to continue building strong customer and stakeholder relationships and realize operational efficiencies.

We intend to establish a sustainable O&M business division, which will be aimed at providing forward integrated full life cycle services to our customers. Our commitment to the long-term performance of our products is exemplified by our approach of ensuring that we invest in good quality equipment at the outset, which also leads to a low cost per project over the life-cycle of each project. We will continue to enhance our O&M practices by moving from conventional reactive maintenance to predictive maintenance through the use of real-time analytics. This will enable us to monitor multiple sites on a real-time basis and analyze data to efficiently identify potential areas of concerns to take preventive measures before actual maintenance issues occur, as well as to track comparative performance across sites.

We also plan to apply the predictive maintenance in a variety of other operations, including our dust-detection systems (which we use to determine when our HTS panels need to be cleaned based on the actual dust accumulation and its impact) and solar concentrator monitoring systems (to calculate the delta heat in refrigerant gas). These technologies would help our HTS panels perform with lower downtime and achieve better energy savings.

Our business divisions

Our business comprises three primary divisions: (i) manufacture and assembly of HTS panels; and (ii) EPI and O&M services which serve as value added services to our EPI business

Manufacture and assembly of HTS panels

Our manufacturing facilities produce highly efficient HTS panels, utilising controller and technologies from Suntrac, USA. HTS panels are disruptive renewable technology in air conditioning. Our hybrid thermal panels utilize the solar energy. The HTS panel harnesses heat and pressure from the sunlight and is applied to the refrigerant, which is returned from the panel outlet to the HVAC unit's condenser, thus resulting in reducing the compressor's energy consumption. The key characteristic of the HTS panels is stated herein below:

- ☑ It does not generate electricity rather reduces the energy consumption of air conditioners.☑
- ☑ It uses thermal heat from the sun and saves electricity consumption in air conditioners.☑
- ☑ It utilizes <10% of the space compared to Normal PV Panels.☑
- ☑ Less HP is required for fresh installation reducing the capex cost for new installations.☑
- ☑ 100% made in India for Atmanirbhar Bharat☑

We supply our HTS panels through our distributors/dealer and retailers spread across the country. The installation process is carried out by our empanelled system integrators.

Our manufacturing and installation process of our HTS panels are detailed herein under:

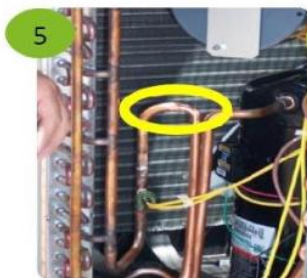
1. Recover the system's refrigerant into a clean and vacuumed recovery cylinder (to be reinstalled back into the system).
2. Cut the Compressor discharge line between leaving the compressor and entering the condenser, as shown in the image. (NOTE: Make sure the cut is right before the condenser and after temperature sensors/pressure gauges post compressor)

NOTE: In case of hot and cold machine, the cut will come before the condenser.

3. The Panel, from the factory, is pressurized with Nitrogen gas. When the panel is cut, Nitrogen gas should exit the pipes when it is cut. (NOTE: The panel is a "Perfect Dealer".)



4. Connect the refrigerant piping from the compressor discharge line to the Perfect Thermal Panel inlet (TOP).
5. Connect the refrigerant piping from the solar panel exit (Lower) to the condenser.
6. Insulate copper piping for heat retention and safety. (Compressor Discharge pipes are hot!)
7. Care should be taken so that the copper pipes have proper support. The vibrations of the machine should not be transferred to the panel.



8. Evacuate the refrigerant system. (Recommended vacuum to 500 microns or lower). **Make sure there are NO Leaks in the refrigerant system.**
9. Total gas to be added to the system = The recovered refrigerant (in step 1) + gas as per length of copper pipe used for panel (as per AC manufacturers charging chart) + 400gms for each Perfect Thermal Panel
10. Give single phase power supply to the Panel (keep supply on permanently)
11. With the Panel glass covered with cardboard or other UV resistant cover (silver tarp), Start the system.
12. Once the system is operating per the manufacturer's specs, remove cardboard or UV cover.

Recommended Copper Pipe Size:

Important Note: Ideally, the same radius copper pipe is supposed to be used as the discharge line of the compressor. If the radius is not known the below values can be used.

- Upto 12 HP: 12 mm VRV Grade pipe, 0.8 mm thick
- Upto 18 HP: 15 mm VRV Grade pipe, 1 mm thick
- Upto 28 HP: 19 mm VRV Grade pipe, 1 mm thick
- Make recommended: Rajco, Mandev, Mehta Tubes
- Use 19mm wall thickness EPDM/Nitrile Rubber insulation

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-defined and adequate internal control system commensurate to the size of its business and the nature of industry it operates in. The Internal Control system ensures safeguarding and protecting the assets of the Company. Internal Audit has been conducted by external Auditors at plant as well as at the branches of the Company within the detailed scope defined and approved by the Audit Committee. The Auditors has provided a comment that the control mechanism in respect of design of control requires improvement. The Company has taken note of the weakness and the management is working hard to get in place a system to ensure mechanism relating to design of control are improved.

HUMAN RESOURCE

The Company truly believes its team and people to be its greatest assets. The organization empowers and motivates its people. The Company's core focus is to provide growth and nurture all its employees, encouraging them to perform their best. For this, employees training, and skill development is very important. Additionally, induction training, and regular on-the-job-related training is also provided to help employees improve their duties' performance continually.

The Company remains focused on strengthening its people policies and internal processes where employees seek continual improvement, greater accountability, and responsibility, and excel in their key result areas. Collaboration, connectivity, and productivity-enhancing technology initiatives are the Company's key drivers behind building careers for its people. The Company has currently employed 50 employees and is trying to grow more along with the new product.

Financial Ratios

Financial Ratios	Formula	Ratio
Debtors Turnover	Sales/Trade receivables	0.71
Inventory turnover	COGS/Avg Inventory	0.40
Current Ratio	Current Assets /Current Liabilities	3.45
Debt Equity Ratio	Total Liabilities/ Total Shareholders' Equity	0.48
Net Profit Margin	Net Profit/ Revenue	8.31
Return on Cap employed	PBIT/Cap employed	1.44

Marketing Strategy

The overall marketing strategy is divided into a few types depending on the type of customer and the kind of marketing required for them:

- Through Channel Partners
- Through liaisons / relationship experts
- Direct involvement/sale
- Mix of the above

Through Channel Partners:

Sales to private organisations (such as Mahindra, Nivea, Honda etc) follows a general path which looks like:

- Approaching clients / Enquiry from clients (Via mail or word of mouth marketing)
- Preliminary explanation on call/ VC
- Physical meeting with technical team – Convince them for a demonstration installation.
- Site visit and Site visit report
- Demonstration machine finalisation
- Installation of energy meter
- Energy readings for a few days/weeks
- Installation of HTS Panel
- Energy readings for a few days/weeks
- Calculation of savings – Making savings report
- Convincing client on ROI basis the savings they got.
- Receive demonstration installation payment.
- Push for repeat

orderThe above path

requires:

- Physical presence at the site /customer location
- Existing relationship with customer

Hence, a private sale is generally done through Channel Partners

Perfect Infraengineers currently has 15+ channel partners active pan India who have successfully got sales in companies such as Adani, Nivea, Honda, Hero, SC Bank, Mahindra, PnG etc

Its important to note that none of these clients required major effort from Perfect directly, except during installation.

Through liaisons / relationship experts:

Sales to Government organisations or PSUs usually require relationship experts but the end sale can come to Perfect directly which a consulting fee going to the expert.

The sale has the following steps in general:

- Get connected to the relationship expert via word of mouth.
- Finalise on the consultation fee during end sale
- Expert approaches clients
- Give technical support to expert
- Preliminary explanation on call/ VC
- Physical meeting with client
- Site visit and Site visit report
- Demonstration machine finalisation
- Installation of energy meter
- Energy readings for a few days/weeks
- Installation of HTS Panel
- Energy readings for a few days/weeks
- Calculation of savings – Making savings report
- Push for company/organisation wide adoption of technology

The most important requirement in the above sale is a pre-existing relationship with the client hence a relationship expert is essential.

Perfect currently has 10+ relationship experts active pan India.

Direct involvement

Sales also happen directly when we already have an existing relationship in Private or Government organisation.

Other major marketing initiatives in progress:

- We are in conversation with OEMs of Air conditioners to potentially work with them for sales of HTS Panel and launch world's first Hybrid VRF
- We are in conversation with government financing organisations to start an OPEX model for the HTS Panel for Government and later with Private companies.
- We are in conversation with huge MNCs for companywide adoption of HTS Panel technology.

CFO CERTIFICATION

To,
The Board of Directors
Perfect Infraengineering Limited

We hereby certify the following as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that:

- 1) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief :
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company During the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal controls systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) we further certify that:
 - a. there have been no significant changes in internal control over financial reporting during the period under review;
 - b. there have been no significant changes in accounting policies made during the period and that the same have been disclosed in the notes to the financial statements; and
 - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

FOR PERFECT INFRAENGINEERS LIMITED

Mr Nimesh Mehta
Managing Director
00247264

Mr Rakesh Chauhan
Director
08974505

Mrs Manisha mehta
CFO

Date: 31st August 2023

Place: Mumbai

Independent Auditor's Report

To the Members of Perfect Infraengineers Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion:

We have audited the accompanying standalone financial statements of PerfectInfraengineers Limited ("the Company"), which comprise the Balance sheet as at 31st March 2023, the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter(s) described in the 'Basis for Qualified Opinion Section, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and cash flows for the year ended on that date.

Basis for Qualified Opinion:

- a) As described in note no. 8 to the financial statements, the company has not provided for the interest of Rs. 121.62 lakhs on the outstanding cash credit facility with ICICI Bank Limited in the books of accounts resulting in overstatement of profits before tax to that extent. Non-provision of this interest along with unprovided interest for the previous years, amounting to Rs. 62.10 lakhs has resulted in understating liabilities by Rs. 183.72 lakhs as on 31st March, 2023. The reserves are also overstated to that extent subject to tax. The company has, therefore, not complied with the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets".
- b) As described in note no. 4 to the financial statements, the loan recalled by Technology Development Board (TDB) has not been classified as Current liabilities but shown as Non-Current liabilities.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter:

We draw attention to the following matters in the notes to the Standalone financial statements:

Litigation with Technology Development Board (TDB) and ICICI Bank on existing facilities, which can impact future liquidity (Refer Note.4 and 8).

Unreconciled and unconfirmed balances in Trade Receivables, Trade payables and Short-term Loans and Advances (Refer Note 9, 17 and 19).

Non/slow moving current assets like WIP Contract assets, retention with customers and other receivables. Since the amounts are material, any diminution in their carrying value can impact the financials. (Refer Note. 20)

Non-disclosure of segment-wise results because of non-availability of segment-wise cost bifurcation (Refer Note.36).

Our opinion is not modified in respect of these matters.

Key Audit Matters

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

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><u>Litigations-Contingencies:</u></p> <p>The Company has ongoing litigations with various authorities And third parties which could have significant impact on the results, if the potential exposures were to materialize. Claims against the company not acknowledgment as debt are disclosed in the financial statements (Note no.31, 4 and 8). The outcome of such litigation is uncertain and the position taken By the management involves significant judgment and estimates To determine the likelihood and timing of cashflows.</p>	<p>Our audit procedure included the following:</p> <ul style="list-style-type: none">● Obtained and read the company's accounting policies in respect of claims, provisions and contingent liabilities to assess the compliance with accounting standards.● Supporting documents were tested for the positions taken by the management.● Assessed in accordance with the accounting standards, the provisions in respect of litigations and assessed disclosures relating thereto, including those for contingencies.

Information other than the Financial Statements and Auditor's report thereon:

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Director's Report but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 company does not have any branch office. Thus, audit under sub-section (8) of section 143 of the act does not apply to the company.
- d) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act except as mentioned in basis of qualified opinion para No.1 in our report, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) In our opinion and on the basis information and explanations provided to us, there are no such matters or financial transactions or other matters which have adverse effect on the functioning of the company;
- g) None of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure- B”.**
- i) With respect to the matters to be included in the Auditor’s report under section 197(16) of the act, in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its

directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the act.

j) 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:

a. We are not aware about any other pending litigation which would impact its financial position except those mentioned in notes to accounts to the financial statement as per Note no. 4, 8 and 31.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

d.(i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e. No dividend has been declared or paid during the year by the Company.

f. The requirement to the use of accounting software for maintaining Company’s books of account which has a feature of recording audit trail (edit log) facility is deferred to financial years commencing on or after April 1, 2023 wide MCA notification G.S.R. 235E dated 31st March, 2022. Therefore, reporting under Rule 11(g) of Companies (Audit & Auditor) Rules, 2014 is not applicable for financial year ended on March 31, 2022.

**For JCR & Co. LLP Chartered
Accountants FRN-
105270W/W100846**

**CA Rajeshwari Joshi
Partner
Mem. No. 18779**

**Date: 13th may, 2023 Place:
Mumbai
UDIN: 23187779BGZTXL4514**

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 1 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, 2023.

- i. (a) (A) According to the information provide to us, the Company is not maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (B) The Company is not maintaining proper records showing full particulars of intangible assets;
- (b) As informed by the management, physical verification of the fixed assets has not been carried out by the management at reasonable intervals during the year and hence we cannot comment on this clause.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the title deeds (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), the immovable properties owned by the Company are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations provided to us, there are no proceedings initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) As informed by the management, the management has not carried out the physical verification of the Inventory at reasonable intervals. Therefore, we cannot comment on the coverage and procedure of such verification by management.

- (b) According to the information and explanations provided to us and on the basis of our examination of the records of the Company, the Company has availed cash credit facility from ICICI Bank. The limit has not been renewed and the matter is under litigation. Hence, no stocks and receivable statements and other financial information have been submitted to the bank during the year.
- iii. According to the information and explanations provided to us and on the basis of our examination of the records of the company, the company has not made any investment, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- iv. According to the information and explanations provided to us and on the basis of our examination of the records of the company, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Therefore, the provision of Clause 3(v) of the said Order is not applicable to the Company and hence not commented upon.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and the records examined by us, the company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. The extent of the arrears of outstanding statutory

dues as on the last day of the financial year for a period of more than six months from the date they became payable, is as follows:

Statute	Amount (Rs.)
TDS	5,48,587
Total	5,48,587

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in Lakhs.)	Period to which the amount relates (Financial year)	Forum where the dispute is pending
Maharashtra VAT Act	VAT	18.04	2013-14	Appeal filed before Maharashtra Sales Tax Tribunal Mumbai
Maharashtra VAT act	CST	77.25	2013-14	Appeal filed before Tribunal
Maharashtra VAT Act	VAT	8.79	2015-16	Rectification pending
Maharashtra VAT Act	VAT	57.11	2016-17	CIT (Appeal)
Maharashtra VAT Act	CST	7.96	2016-17	CIT (Appeal)
Income	Income	67.01	2018-19	Rectification

Tax Act	Tax			filed
Income Tax Act	Income Tax	174.55	2017-18	Appeal filed before CIT(A)

- viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- ix.(a) The company had availed a soft loan of Rs. 450 lakhs from Technology Development Board (TDB) out of Rs. 750 Lakhs sanctioned by TDB. The loan was recalled by TDB and a petition filed before the National Company Law Tribunal under the Insolvency & Bankruptcy Code, 2016. However, the Company has invoked the arbitration clause and is in discussion with TDB for restructuring the term loan. The company has also availed a Cash Credit facility from ICICI Bank, which has not been renewed. The dispute in this regard is pending before various courts. The period-wise bifurcation of loan and interest payable was not made available to us.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not availed any term loan during the year.
- (d) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not raised any funds on short term basis during the year.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.

- x.(a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi.(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly, reporting under clause 3(xi)(b) of the order is not applicable.
- (c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties except as stated below are in compliance with sections 177 and 188 of the Act where applicable and the details of the related party transactions have been disclosed in the financial statements as required by the applicable AS.

We have observed that the company at the beginning of the year had taken omnibus approval of audit committee for transaction to be entered into with the

related party “Perfect Control Panels Pvt Ltd” during the year up to Rs.4 crores. During the year the limit of transactions has been exceeded by an amount of Rs.53.97 lakhs.

- xiv.(a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- xvii During the year, the company has not incurred any cash losses. However, the Company had incurred cash losses of Rs.53.91 lakhs during the immediately preceding financial year.
- xviii There has been no resignation by statutory auditors during the year. Hence reporting under clause 3(xviii) of the order is not applicable.
- xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all

liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, provisions of section 135 of the Companies Act, 2013 are not applicable to the company and therefore there is no unspent amount under sub section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For JCR & Co, LLP Chartered
Accountants FRN-
105270W/W100846**

**CA Rajeshwari Joshi
Partner
Mem. No.**

**Date: 13th May, 2023 Place:
Mumbai
UDIN: 23187779BGZTXL4514**

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of PerfectInfraengineers Limited of even date)

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

We have audited the internal financial controls over financial reporting of Perfect Infraengineers Limited (“the Company”) as of March 31, 2023 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered

Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing 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 internal financial controls system over financial reporting of the Company.

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.

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 weaknesses have been identified as at 31st March, 2023:

- a) Control mechanism in the following areas needs improvement:
 - a. Accounting and timely recording of transactions
 - b. Management of receivables and payables
 - c. Inventory management
 - d. Fixed assets management

In our opinion, except for the possible effects of the significant weaknesses 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 were operating effectively as of 31st March, 2023, based on "The internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For JCR & Co. LLP Chartered
Accountants FRN-
105270W/W100846**

**CA Rajeshwari Joshi
Partner
Mem. No.**

**Date: 13th May, 2023 Place:
Mumbai
UDIN: 23187779BGZTXL4514**

Perfect Infraengineers Limited				
Statement of Profit & Loss for year ended 31st March, 2023				
				(Rupees in Lakhs)
	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I.	Revenue from operations	21	720.40	429.43
II.	Other Income	22	2.85	36.61
III.	Total Income (I + II)		723.25	466.04
IV.	Expenses:			
	Cost of Materials Consumed	23	249.02	477.40
	Changes in inventories	24	86.99	(231.75)
	Employee benefits expense	25	81.50	83.22
	Finance costs	26	27.22	23.55
	Depreciation and amortization expense	12	109.47	111.75
	Other expenses	27	156.52	167.54
	Total Expenses		710.73	631.69
V.	Profit before tax (III- IV)		12.53	(165.66)
VI.	Tax Expense:			
	(1) Current tax		-	-
	(2) Deferred tax Liability /(Asset)		(47.34)	23.20
			(47.34)	23.20
VII.	Profit (Loss) for the period (V-VI)		59.87	(188.86)
VIII.	Earnings per equity share:	28		
	Face value per equity shares of Rs. 10 each			
	-Basic		0.54	-1.71
	-Diluted		0.54	-1.71
The accompanying notes form an integral part of the financial statements.				
As per our Audit Report of even date For JCR & Co. LLP Chartered Accountants FRN: 105270W/W100846			For and on behalf of the Board of Directors	
CA Rajeshwari Joshi Partner M No. 187779			Nimesh Mehta Manisha Mehta Managing Director CFO & Director DIN: 00247264 DIN: 00247274	
Place Mumbai Date 13-05-2023			Maryam Bahnan Company Secretary	

Perfect Infraengineers Limited				
Balance Sheet as on 31 March, 2023				
				(Rupees in Lakhs)
	Particulars	Note no.	As at 31st March, 2023	As at 31st March, 2022
I	Equity and Liabilities			
	(1) Shareholder's funds			
	(a) Share capital	2	1,106.38	1,106.38
	(b) Reserves and Surplus	3	1,028.48	968.62
	(2) Non-current liabilities			
	(a) Long term borrowings	4	593.77	450.59
	(b) Deferred tax liabilities (net)	5	23.33	70.67
	(c) Other long term liabilities	6	0.57	0.57
	(d) Long term provisions	7	10.06	9.28
	(3) Current liabilities			
	(a) Short term borrowings	8	433.72	433.72
	(b) Trade payables:-			
	(A) total outstanding dues to micro enterprises and small enterprises; and	9	3.27	8.80
	(A) total outstanding dues of creditors other than micro enterprises and small enterprises	9	151.83	233.14
	(c) Other current liabilities	10	106.37	60.73
	(d) Short term provisions	11	12.32	12.25
	Total		3,470.09	3,354.73
II.	Assets			
	(1) Non-current assets			
	(a) Property, Plant and Equipment and Intangible assets			
	(i) Property, Plant and Equipment	12	176.17	192.52
	(ii) Intangible assets	12	716.75	807.43
	(b) Non-Current Investments	13	0.87	0.87
	(c) Long term loans and advances	14	104.05	95.75
	(d) Other non-current assets	15	30.48	31.15
	(2) Current assets			
	(a) Inventories	16	910.18	787.81
	(b) Trade receivables	17	726.67	525.15
	(c) Cash and cash equivalents	18	17.34	121.49
	(d) Short term loans and advances	19	132.59	128.74
	(e) Other current assets	20	654.98	663.82
	Total		3,470.09	3,354.73
Significant accounting policies				
The accompanying notes form an integral part of the financial statements.				
As per our Audit Report of even date				
For JCR & Co. LLP				
Accountants				
FRN: 105270W/W100846				
For and on behalf of the Board of DirectorsChartered				
Nimesh Mehta				
Managing Director				
DIN: 00247264				
Manisha Mehta				
CFO & Director				
DIN: 00247274				
CA Rajeshwari Joshi				
Partner				
M No. 187779				
Maryam Bahnan				
Company Secretary				
Place Mumbai Date 13-05-2023				

Perfect Infraengineers Limited
Cashflow Statement for the year ended 31st March,2023

(Rupees in Lakhs)

Particulars	FOR THE YEAR ENDED MARCH 31,2023	FOR THE YEAR ENDED MARCH 31,2022
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items:	12.53	(165.66)
Depreciation	109.47	111.75
Interest Income	(0.11)	(0.13)
Provisions and credit Balances written back	(0.80)	-
Bad Debts	20.95	44.40
(Profit)/Loss on sale of fixed assets	-	(32.72)
Interest on Borrowings	27.22	23.55
Operating Profit before Working Capital changes	169.25	(18.82)
Changes in working Capital:		
Inventories (Increase)/ Decrease	(122.36)	(66.85)
Trade Receivables (Increase)/Decrease	(203.67)	107.35
Loans and advances (Increase) /Decrease	(3.85)	(13.71)
Other current & non assets (Increase)/Decrease	(8.49)	67.06
Long-term loans and advances (Increase)/ Decrease	(8.30)	1.85
Trade payables Increase / (Decrease)	(86.84)	37.99
Current liabilities and provisions Increase/ (Decrease)	45.64	20.13
Provisions Increase / (Decrease)	0.84	(1.81)
Cash generated from Operations	(217.78)	133.20
Direct taxes received / (paid)	-	-
Cash Flow from Operating Activities	(217.78)	133.20
Extraordinary items:	-	-
Extraordinary item	-	-
Net Cash from Operating Activities: (A)	(217.78)	133.20
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investment in subsidiary	-	100.06
Purchases of Fixed Assets (WIP)\Capital Advance	(2.44)	(3.75)
Proceeds from Sale of Fixed Assets	-	33.30
Interest Income	0.11	0.13
Net cash generated from/(used in) investing activities (B)	(2.33)	129.74
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Other Long term liability	-	(0.45)
Increase/(Decrease) in Long term Borrowing	143.18	(67.69)
Increase/(Decrease) in Short Term Borrowings	-	(68.97)
Interest /Finance Charges paid	(27.22)	(23.55)
Fixed Deposit held with Bank as margin Money	-	8.35
Net cash received from/(used in) financing activities (C)	115.96	(152.31)
Net increase in cash and cash equivalents (A + B + C)	(104.15)	110.63
Cash and cash equivalents (Opening)	115.86	5.23
Cash and cash equivalents (Closing)	11.71	115.86
Components of cash and cash equivalents		
Balances with bank	7.07	111.59
Cash on hand	4.64	4.28
	11.71	115.86

(i) The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 "CashFlow 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 Audit Report of even date
For JCR & Co. LLP
Chartered Accountants
FRN: 105270W/W100846

For and on behalf of the Board of Directors

CA Rajeshwari Joshi
Partner
M No. 187779

Nimesh Mehta
Managing Director
DIN: 00247264

Manisha Mehta
CFO
DIN: 0024727

Maryam Bahnan
Company Secretary

Place :
Mumbai Date:
13/05/2023

Notes to financial statements for the year ended 31st March, 2023

NOTE 2: SHARE CAPITAL

Particulars	As at 31st March,2023		As at 31st March,2022	
	No. of shares	Amount	No. of shares	Amount
a) Authorised Shares Equity Shares of Rs. 10 each	1,30,00,000	1,300	1,30,00,000	1,300
b) Issued, Subscribed & Paid up Equity Shares of Rs. 10 each	1,10,63,778	1,106	1,10,63,778	1,106
Total	1,10,63,778	1,106	1,10,63,778	1,106

a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March,2023		As at 31st March,2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,10,63,778	1,106	1,10,63,778	1,106
Issued during the year	-	-	-	-
Balance as at the end of the year	1,10,63,778	1,106	1,10,63,778	1,106

b) Details of Shareholder holding more than 5% shares

Name of Shareholder	At March 31, 2023		At March 31, 2022	
	Number	% of Holding	Number	% of Holding
Mr. Nimesh Mehta (**)	19,01,572	17.19%	25,01,572	22.61
Mrs. Manisha Mehta (**)	18,02,832	16.29%	26,48,832	23.94
Suntrac Solar Manufacturing LLC	10,00,000	9.04	10,00,000	9.04

** Total 57% of promoters holding are pledged with TDB as security towards soft loans of Rs. 450 Lakhs sanctioned to the company.

c) 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 to vote on show of hands unless a poll is demanded. 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

d) Disclosure of Shareholding of Promoters is as follows:

Shares held by promoters	As at March 31, 2023		As at March 31, 2022		% of change
	No. of shares	% of total shares	No. of shares	% of total shares	
Nimesh Mehta-(Promoter)	19,01,572	17.19%	25,01,572	22.61%	-5.42%
Manisha Mehta-(Promoter)	18,02,832	16.29%	26,48,832	23.94%	-7.65%
Priti Bhanushali-(Promoter group)	16,667	0.15%	16,667	0.15%	-
Sharmila Singh-(Promoter group)	18,620	0.17%	18,620	0.17%	-
Total	37,39,691	33.80%	51,85,691	46.87%	-13.07%

(All amount in rupees Lakhs, unless otherwise stated)

Note 3: Reserves and Surplus

Particulars	As at 31st March,2023	As at 31st March,2022
Security Premium:		
Opening Balance	906.66	906.66
Addition during current year	-	-
Utilised for issue of Bonus Shares	-	-
Closing Balance	906.66	906.66
Statement of Profit & Loss :		
Opening Balance	61.95	250.81
Net Profit/(Net Loss) for the Period	59.87	(188.86)
Transferred to General Reserve	-	-
Closing Balance	121.82	61.95
Total	1,028.48	968.62

Note 4: Long-term borrowings

Particulars	As at 31st March,2023	As at 31st March,2022
Secured		
1. Term Loan		
A) From Banks	-	-
B) From Other Parties		
Technology Development Board (TDB)*	450.00	450.00
Unsecured		
1. Loans and advances from related parties		
Loan from Directors	143.77	0.59
Total	593.77	450.59

*A Soft Loan of Rs. 750 lakhs has been sanctioned in favour of the Company by Technology Development Board (TDB) towards "Development and Commercialisation of Hybrid Thermal System" against personal guarantee and pledge of 29,77,885 equity shares held by the promoters, exclusive/first pari passu mortgage charge on Land and Building, first pari passu hypothecation charge on present and future movable assets and corporate guarantee given by the Company.

The outstanding term loan of Rs. 450 lakhs was recalled by TDB and a petition has been filed before the National Company Law Tribunal under the Insolvency & Bankruptcy Code, 2016. However, the management has invoked the arbitration clause and is in discussion with TDB for restructuring the term loan. Pending a decision in the matter, the management has decided to continue showing the term loan as a non-current liability.

Note 5: Deferred Tax Liabilities (Net)

Particulars		As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability	(A)	70.67	47.47
Depreciation/Adjustment		23.12	23.20
Deferred Tax Asset	(B)		
On account of gratuity		(0.54)	-
On account of C/t Loss		(69.92)	-
Total		23.33	70.67

Note 6: Other Long Term Liabilities

Particulars	As at 31st March,2023	As at 31st March,2022
a) Trade payables		
b) Others:		
Deposits from Customers	0.57	0.57
Total	0.57	0.57

Note 7: Long Term Provisions

Particulars	As at 31st March,2023	As at 31st March,2022
a) Provisions for Employee benefits:		
Provision For Gratuity	10.06	9.28
b) Others	-	-
Total	10.06	9.28

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

Particulars	As at 31st March,2023	As at 31st March,2022
Secured		
a) Loans repayable on demand		
A) From bank		
ICICI Bank *	433.72	433.72
Total	433.72	433.72

*Cash Credit facility from ICICI Bank is secured by :

- a) First Pari Passu charge by way of Hypothecation over all movable assets, present and future;
- b) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors & Immovable propert of the Comopany in Lavasa .
- c) KMP's (Manisha Mehta & Nimesh Mehta) of the Company have extended a Personal Guarantee.
- d) The company has initiated various legal proceeding in the City Civil Court, High Court, DRT and Supreme Court for the unauthorised and illegal NPA declared by ICICI Bank .
- e) During the year, the company has not provided for the interest on the Bank Overdraft as the case is pending in various courts.
- f) As the company is in litigation with ICICI Bank, statements of stocks and receivables have not been filed with the Bank.

Note 9: Trade Payables

Particulars	As at 31st March,2023	As at 31st March,2022
Trade paybles:		
A) Total outstanding dues of Micro enterprises and small enterprises	3.27	8.80
B) Due to Creditors other than micro enterprises and small enterprises.	151.83	233.14
Total	155.10	241.93

Ageing for trade payables outstanding as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	Total
i. MSME	2.24	0.90	0.1	3 -	3.27
ii. Others	38.98	47.96	32.5	1 10.17	129.62
iii. Disputed Dues - MSME	-	-	-	-	-
iv. Disputed dues - Others	-	0.32	4.24	17.65	22.21
	41.22	49.17	36.88	27.83	155.10

Ageing for trade payables outstanding as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	Total
i. MSME	3.65	2.40	2.75	-	8.80
ii. Others	73.76	97.69	26.09	13.39	210.93
iii. Disputed Dues - MSME	-	-	-	-	-
iv. Disputed dues - Others	-	0.32	4.24	17.65	22.21
	77.4	1 100.41	33.07	31.04	241.93

The Company have disclosed amount from whom they have received confirmation from suppliers as registered under Micro enterprises and Small enterprises, rest all outstanding assumed as other enterprises

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

Particulars	As at 31st March,2023	As at 31st March,2022
Interest Accrued but not due	84.87	57.81
Statutory Dues payable	11.98	(4.72)
Employee Benefit payable	0.41	0.51
Director Remuneration	3.85	3.14
Advance Income	2.93	2.15
Other payables	2.32	1.84
Total	106.37	60.73

Note 11: Short Term Provisions

Particulars	As at 31st March,2023	As at 31st March,2022
Provision for Gratuity	1.07	1.01
Provision for Income Tax	11.24	11.24
Total	12.32	12.25

Note 13: Non Current Investments

Particulars	As at 31st March,2023	As at 31st March,2022
Quoted Investments Non-Traded Investments in Mutual Funds: Kotak Select Fund [2,000 Units (2,000 Units) of Rs. 10 each]	0.20	0.20

Total Quoted Investments	0.20	0.20
Aggregate Market Value of Quoted Shares	1.02	0.72
Unquoted Investments		
National Savings Certificate	0.20	0.20
Gold Coins	0.47	0.47
Total Unquoted Investments	0.67	0.67
Total	0.87	0.87

Note 14: Long Terms Loans & Advances

Particulars	As at 31st March,2023	As at 31st March,2022
(Unsecured Considered Good)		
Capital Advances	91.43	88.13
Deposit with Suppliers	0.67	0.67
Other Deposits	11.95	6.95
Total	104.05	95.75

Note 15: Other Non Current Assets

Particulars	As at 31st March,2023	As at 31st March,2022
(Unsecured Considered Good)		
Advance/Self-Assessment Tax & TDS	21.48	22.15
Security Deposits	9.00	9.00
Total	30.48	31.15

Note 16: Inventories

Particulars	As at 31st March,2023	As at 31st March,2022
Stock of raw materials & WIP	589.27	381.47
Stock of Spares and Consumables	25.90	24.36
Stock of Finished goods & Stock in trade	295.00	381.99
Total	910.18	787.81

Note 17: Trade Receivables

Particulars	As at 31st March,2023	As at 31st March,2022
Unsecured, Considered Good		
Outstanding for less than six months	194.39	59.93
Outstanding for more than six months	532.28	465.22
Total	726.67	525.15

Ageing for trade receivables current outstanding as at March 31,2023 as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 Year	2 - 3 Year	More than 3 Year	
i. Undisputed Trade receivables-considered good	194	126	58	26	182	587
ii. Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
iii. Disputed Trade receivables-considered good	-	-	-	-	-	-
iv. Disputed Trade receivables-considered doubtful	-	-	-	-	139.96	139.96
	194.39	125.67	58.03	26.22	322.37	726.67

Ageing for trade receivables current outstanding as at March 31,2023 as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 Year	2 - 3 Year	More than 3 Year	
i. Undisputed Trade receivables-considered good	60	56	57	77	123	-
ii. Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
iii. Disputed Trade receivables-considered good	-	-	-	-	-	-
iv. Disputed Trade receivables-considered doubtful	-	-	-	48.64	103.22	151.86
	59.93	55.74	57.08	126.03	226.37	525.15

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

Note 18: Cash and Bank Balances

Particulars	As at 31st March,2023	As at 31st March,2022
Cash and cash equivalents		
Cash on hand	4.64	4.28
Balance with Banks		
Balances with banks	7.07	111.59
Fixed Deposits	5.63	5.63
Total	17.34	121.49

Note 19: Short Term Loans and Advances

Particulars	As at 31st March,2023	As at 31st March,2022
(Unsecured Considered Good)		
Advance to Suppliers	26.24	26.24
Deposit with Govt Authorities	18.76	15.37
Other Advances & Deposits	87.59	87.14
Total	132.59	128.74

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

Particulars	As at 31st March,2023	As at 31st March,2022
(Unsecured Considered Good)		
Retention with customers	78.51	69.54
WIP - Contract Asset	502.20	520.20
Prepaid expenses	0.16	0.07
Accrued Interest on Bank Fixed Deposit/NSC	0.19	0.08
Other Receivable	52.50	52.50
Miscellaneous Expenses	20.80	20.80
TDS Recoverable	0.63	0.63

Total	654.98	663.82
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The balances of WIP contract assets, retention with customers, Accrued receivables are slow moving assets. The management expected to received the amount within 12 months from end of financial statements.

Note 21: Income From Operations

Particulars	As at 31st March,2023	As at 31s March,2022
Sales of Goods		
Hybrid Solar Panel Sales	569.48	279.58
Trading of AC and others	43.29	21.36
	612.77	300.94
Sales of Services		
Installation & Commissioning of AC	40.19	6.60
Renting of Air Conditioners	56.10	60.62
Sale of Services	4.39	6.60
Operating income	6.94	6.21
Other operating income	-	48.47
	107.63	128.50
Total	720.40	429.43

Note 22: Other Income

Particulars	As at 31st March,2023	As at 31s March,2022
Interest Income from Bank Deposits	0.11	0.13
Profit on Sale of Fixed Asset	-	32.72
Provisions written off	0.80	1.16
Foreign Exchange Fluctuation A/c	1.94	-
Rent Income	-	1.13
Discount Received	-	1.46
Total	2.85	36.61

Note 23: Cost of Materials / Services Consumed

Particulars	As at 31st March,2023	As at 31s March,2022
Opening Stock of Raw Material & WIP	405.83	570.74
Purchases	414.66	304.04
Labour	7.52	6.02
Site expenses	36.20	2.44
Less: Closing Stock of Raw Material & WIP	615.17	405.83
Total	249.02	477.40

Note 24: Changes In Inventories

Particulars	As at 31st March,2023	As at 31st March,2022
Opening Stock of Finish Goods and stock in trade	381.99	150.23
Less: Closing Stock of Finish Goods and stock in trade	295.00	381.99
Total	679.99	532.322

Note 25: Employee Benefit Expenses

Particulars	As at 31st March,2023	As at 31st March,2022
Salaries, wages and bonus	79.92	84.02
Contribution to provident and other funds	0.74	1.00
Gratuity	0.84)	(1.81)
Total	81.50	83.22

Note 26: Finance Expenses

Particulars	As at 31st March,2023	As at 31st March,2022
Interest paid to Banks	0.16	1.05
Other Borrowing Costs	27.06	22.50
Total	27.22	23.55

Note 27: Other Expenses

Particulars	As at 31st March,2023	As at 31st March,2022
Power & Fuel	1.85	4.53
Rent	18.00	25.50
Repairs and Maintenance Expenses	2.24	1.75
Insurance	0.23	0.22
Transportation charges	8.64	2.91
Professional Fees	23.47	22.23
Printing & Stationery	3.51	0.67
Rent Rates & Taxes	11.59	3.24
Security services	2.40	2.40
Business Promotion expenses	1.72	8.21
Travelling & Conveyance	33.79	14.89
Hotel, Food and Boarding Charges	4.59	13.26
Sitting Fees	3.00	1.90
Auditor's Remuneration	1.83	1.10
Annual Listing fees	2.41	-
Miscellaneous Expenses	11.20	19.47
Share Issue Expenses W/off	-	0.73
Discount	5.12	0.13
Bad Debts	20.95	44.40
Total	156.52	167.54

Note: 28 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	As at March,202331st	As at March,202231st
Profit before Tax	12.53	(165.66)
Less :		
Provision for Tax & Deferred Tax	(47.34)	23.20
Profit after tax	59.87	(188.86)
Weighted Number of Shares	110.64	110.64
Baisc	0.54	(1.71)
Diluted EPS	0.54	(1.71)

Note 29: Related party Transactions

Related Party Disclosures	-	-
Details of related parties:		
Name		Relationship
Mr. Nimesh Mehta (Appointed as MD as on 1st December 2022)		Managing Director
Mrs. Manisha Mehta (Appointed as Director on 1stDecember 2022)		CFO & Executive Director
Miss Maryam Bahnan (Appointed from 19th September 2022)		Company Secreatary
Miss. Zainab Chanki (Resigned w.e.f. 1st September 2022)		Company Secreatary
Mr. Arun Singh (w.e.f. 4-12-2021) resigned w.e.f 10th January 2023		Whole Time Director
Raj Singh (wef.4-12-2021)		Independent Directors
Ms Gurinderkaur Multani		Independent Directors
Rakesh Chauhan		Independent Directors
Other Related Parties with whom company had transactions:		
Krishna Mehta		Son of KMP, CEO
Parth Mehta		Son of KMP, CEO
Perfect Control Panel Pvt Ltd (Company where Krishna Mehta and Parth Mehta are Directors & shareholders)		
-		

Related Party Transactions :

Name of the related party and nature of transactions	Nature of relationship	As at March, 2023	31st	As at 2022	31st March,
Key Management Personnel					
Remuneration to CFO/CEO	KMP		30.84		29.51
Remuneration to KMP (CS & WTD)	KMP		5.41		6.82
Security deposits-repaid to CFO			-		9.00
Loan taken from CFO/CEO			143.18		-
Other Related Parties					
Salary to Krishna Mehta			8.27		6.34
Other Related Parties					

Purchase & sale of material- Perfect control panel pvt ltd		453.97	35.05
Sale of shares of Perfect Control Panels pvt ltd		-	35.02
Outstanding Balances as on 31-3-2023			
Other Related Parties			
Salary Payable to Krishna		0.38	0.18
KMP			
Remuneration payable to CFO/CEO		3.85	1.64
Remuneration payable to other KMP		0.46	1.80
Security deposits from CFO		-	-
Loan Payable outstanding		143.77	0.59
Other Related Parties			
Perfect Control Panel pvt ltd -Receivables		185.35	160.32

Note: 30 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, 2023, except few, 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 to the extent not received. Trade Payables are non interest bearing and are normally settled within the terms. There are no other amounts paid/payable towards interest under the MSMED Act

Note 31: Contingent Liabilities & Commitments

Particulars	As at 31st March, 2023	As at 31st March, 2022
Bank Guarantees	-	-
Disputed Sales Tax liabilities for which appeal has been filed:		
Income & VAT/CST case:		
Appeal has been filed for VAT & CST case for F.Y. 2013-14, F.Y. 2015-16 and F.Y 2016-17	169.16	104.09
Disputed Income Tax liabilities for FY 17-18 for which appeal has been filed	174.55	174.55
Other Outstanding Income tax demand (* excluding Interest and penalty)	58.34*	71.13
Commitments		
Estimated amount of capital commitments not provided for (Net of Advances)	-	-
Claims Against Company Not Acknowledged As Debt	-	-
Cases filed against company		
14 cases filed against company (PY 16 were filed)	71.61	109.38

Cases filed by company**Matters with Court**

Leo and Coronea Hotels (Claim amount Rs. 27.50 lakhs and Rs. 27.50 lakhs
EMD Recovery) Chartered Hotels (Claim amount Rs. 56.62lakhs)

Matters under Insolvency and Bankruptcy

Code 2016 (NCLT Mumbai)

Mumbai Metro One P. Ltd. (Claim amount Rs. 1.87 lakhs under Insolvency and Bankruptcy Code,
2016 Notice served in Aug, 201 and claim will be filed with authority on its direction

Unity Infra (Claim Rs. 96.68 lakhs however matter is pending under Insolvency and Bankruptcy Resolution Professional.

Note 32 The company does not have transaction with struck off companies.

Note 33: Value Of Imports (On Cif Basis)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Purchase of Goods	67.03	12.26

Note 34: Ministry of Finance announced amendment in the form of reduced tax rate vide Taxation Laws (Amendment) Ordinance 2019 by inserting a new section 115BAA in the Income Tax Act, 1961. The amendments would be applicable from the previous year 2019-20 (AY 2020-21). As per the new section, the domestic Company may exercise the option of payment of tax at reduced rate of 22% subject to the condition that the company will not avail certain deductions/exemptions. The company has opted for the reduced rate of income tax.

Note 35: 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 36: Segment Reporting

The Company is predominantly in the business of execution of HVAC & manufacturing and trading of HYBRID SOLAR THERMAL PANELS and allied activities in India. The segment wise sales details are as follows:

Segment Revenue	As at 31st March, 2023	As at 31st March, 2022
	612.77	282.11
	56.10	60.62
	51.53	86.70
	720.40	429.43
Gross revenue from sale of products & services	720.40	429.43

Segment wise results are not available as cost cannot be bifurcated segment-wise.

Note 37: Additional Regulatory Information

Ratios:

Ratio	Denominator	Numerator	Denominator	Current year	Previous year	% of change	Reason of change if more than 25%
Current ratio (in times)	Total current liabilities	Total Current assets	Total current liabilities	3.45	2.97	16.02%	
Debt-Equity ratio (in times)	Total equity	Debt consists of borrowings	Total equity	0.48	0.43	12.93%	
Debt service coverage ratio	Debt service: interest payments + principal repayment	Earning for Debt service = PAT + Depre + interest + other non-cash adjustments	Debt service= interest payments + principal repayment	0.22	(0.06)	465.09%	The variation is due to increase in revenue of the company and decrease in
Return on equity ratio (in %)	Average total equity	Profit for the year	Average total equity	2.84%	(0.09)	132.67%	The variation is due to increase in revenue of the company and increase in profit
Inventory Turnover Ratio	Average Inventory	COGS	Average Inventory	0.40	0.33	21.54%	
Trade receivable Turnover ratio	Average trade receivables	Revenue from operations	Average trade receivables	1.15	0.71	61.09%	

Trade payable turnover ratio	Average trade payables	Cost of material & other expenses	Average trade payables	2.04	2.89	-29.38%	
Net Working Capital Turnover ratio (in times)	Total current assets less total current liabilities	Revenue from operation	Total current assets less total current liabilities	0.42	0.29	43.00%	
Net profit ratio	Revenue from operation	Profit for the year	Revenue from operation	8.31%	-43.98%	118.90%	The variation is due to increase in revenue of the company and decrease in expenses.
Return on capital employed	Capital employed= Net worth + long term loans + Deferred tax liability	profit before tax and finance cost	Capital employed= Net worth + long term loans + Deferred tax liability	1.44%	-5.47%	126.39%	The variation is due to increase in revenue of the company and decrease in expenses.
Return on investments	Capital employed= Net worth + long term loans + Deferred tax liability	Operating profit	Capital employed= Net worth + long term loans + Deferred tax liability	-	-		

Note 38 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in an other person(s) or entity(is), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Note 39

No funds have been received by the Company from any person(s) or entity(is), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Note: 40 Previous Year Figures

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

Note: 12 PROPERTY, PLANT AND EQUIPMENTS

(Current Year)											
Particulars	Rate	Rate	GROSS BLOCK				DEPRECIATION				Net Block
			Balance as on 01-04-2022	Addition year	Deduction year	Balance as on 30-09-2022	Balance as on 01-10-2022	For the year	Adjustment / Deletion	Total Depreciation	Balance as on 31-03-2023
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	5.00 %	4.87%	59,15,000	-		59,15,000	19,39,126	1,93,625		21,32,751	37,82,249
	5.00 %	4.87%	1,37,65,536	-	-	1,37,65,536	50,46,634	4,24,611	-	54,71,245	82,94,291
	13.91 %	18.10%	44,05,913	2,15,852	-	46,21,765	20,56,193	4,52,653		25,08,846	21,12,919
	13.91 %	18.10%	3,39,68,274		-	3,39,68,274	3,07,63,813	5,80,007	-	3,13,43,820	26,24,454
	25.89 %	25.89%	41,61,715	-	-	41,61,715	35,52,277	1,57,784	-	37,10,060	4,51,655
	25.89 %	25.66%	26,86,483	-	-	26,86,483	24,28,495	66,200	-	24,94,695	1,91,788
	45.07 %	45.07%	3,92,744	-	-	3,92,744	3,73,107		-	3,73,107	19,637
	63.16 %	63.16%	23,18,305	28,100	-	23,46,405	22,02,390	3,598		22,05,988	1,40,417
(a) Software		63.16%	-	-	-	-	-	-		-	-
(b) Intangible R&D			17,35,41	-	-	17,35,41	4,33,85	1,73,54	-	6,07,39	11,28,02
(c) Technical know how fees			9	-	-	9	5	2		7	2
			8,89,45,69			8,89,45,69	95,03,786	88,94,569		1,83,98,35	7,05,47,33
			3			3				6	7
TOTAL			15,82,95,082	2,43,952	-	15,85,39,034	5,82,99,676	1,09,46,589	-	6,92,46,265	8,92,92,769

SIGNIFICANT ACCOUNTING POLICIES for FY 2022-23

1. Basis for preparation of Financial Statements:

The Company is incorporated in the year 1996 under the Companies Act, 1956. During the year, the Company was engaged in the business of manufacturing of HVAC components and equipment & MEP contracting. 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.

Fixed Assets purchased for less than Rs. 5000 are written off in the year of purchase.

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.

*****END*****