

CORPORATE INFORMATION

Chairman and Managing Director	Mr. Nimesh Natvarlal Mehta	Registered office	R 637 TTC Industrial Area MIDC Rabale, Navi Mumbai 400 701
Wholetime Director and Chief Financial Officer	Mrs. Manisha Nimesh Mehta	Corporate Office	168, Bhanusali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009
Directors	*Mrs. Sharmila Ramchandra Singh Mr. Pradeep Shirang Bhawe Mr. Vinay Raghunath Deshmukh	Service Office	C/303, Kailash Esplanade, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086
Audit Committee	Mr. Pradeep Bhawe Mr. Vinay Raghunath Deshmukh Mrs. Manisha Nimesh Mehta	Gaziabad	G-12, Plot No 1, EDM Complex, Kaushambhi Gaziabad
Nomination and Remuneration Committee	Mr. Pradeep Bhawe Mr. Vinay Deshmukh Mrs. Manisha Mehta	Hyderabad	2/A/242, Road No.18 Opp. Jubilee Hills Police Station Jubilee Hills Hyderabad - 500 033
Stakeholder Relationship Committee	Mr. Pradeep Bhawe Mr. Nimesh Mehta Mrs. Manisha Mehta		
Auditors	M/s Godbole Bhawe & Co., Chartered Accountant, Mumbai		
Internal Auditors	M/s Diveyesh J Shah & Associates Chartered Accountant , Mumbai		
Registrar and Transfer Agents	Karvy Computershare Private Limited, Karvy selenium Tower B , Plot number 31 & 32 , Financial District Gachibowli, Hyderabad – 500 032		

*Mrs. Sharmila Ramchandra Singh resigned w.e.f. 15th September, 2016

Director's Report

Dear Members

Your Directors take pleasure in presenting the 21st Annual Report together with the audited financial statements for the financial year ended 31 March 2017. The Management Discussion and Analysis has also been incorporated into this report.

FINANCIAL RESULTS

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

Particulars	Standalone		Consolidated	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Amount in Rs.				
Revenue from operations	155,603,108	172,636,635	163,634,740	177,125,465
Other Income	2,780,195	8,776,988	2,430,503	8,379,138
Total Revenue	158,383,303	181,413,623	166,065,243	185,504,603
Expenses:				
Cost of Materials/Services Consumed	79,160,296	90,567,067	77,569,171	90,187,742
Employee benefits expense	28,013,655	38,161,955	32,784,506	40,637,401
Finance costs	15,738,184	15,985,132	17,359,537	16,069,101
Depreciation and amortization expense	6,878,517	6,946,337	7,729,298	6,988,412
Other expenses	19,841,860	20,160,152	20,818,055	20,014,655
Total Expenses	149,632,512	171,820,643	156,260,568	174,497,311
Profit before tax	8,750,792	9,592,980	9,804,675	11,007,292
Current tax	3,069,314	2,200,000	3,324,014	2,570,000
Deferred tax	(151,486)	873,525	481,549	903,387
Excess Provision of Previous Year	-	541,242	-	541,242
Total Tax Expense	2,917,828	3,614,767	3,805,563	4,014,629
Minority Interest	-	-	-	609
Profit (Loss) for the period	5,832,963	5,978,213	5,999,112	6,992,055
Earnings per equity share (FV Rs10):				
Basic and Diluted	0.76	0.99	0.78	1.15
P&L A/c Opening Balance	15,454,828	14,102,036	16,469,277	14,102,036
Add: Net Profit/(Loss) for the Period	5,832,963	5,978,213	5,999,112	6,992,054

Transfer to General Reserve		-		-
Less: Depreciation Adjustment		-		-
Less: Issue of Bonus Shares		-		-
Less: Interim Dividend Paid		3,854,704		3,854,704
Less :Dividend Distribution Tax Paid		770,714		770,714
P&L A/c Closing Balance	21,287,791	15,454,831	22,468,389	16,468,673

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the financial year under review, on a standalone basis, the Company recorded revenue of Rs.15.84cr as against Rs. 18.14cr in the previous year. Net profit for the year stood at Rs. 58 lakhs as compared to Rs. 60 lakhs in the previous year. On a consolidated basis, the company's revenue was at Rs. 16.60 cr as against Rs. 18.55 cr in the previous year and net profit amounted to Rs. 60 lakh as compared to Rs. 70 lakh in the previous year.

DIVIDEND

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

SHARE CAPITAL

During the year under review no shares were issued by the company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provision of Section 203, 205 and other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 . Mr. Vijay Mulwani resigned as Company Secretary w.e.f 15th April 2016 and Ms. Neeharika Shukla appointed as Company Secretary w.e.f 21st April, 2016 and she resigned w.e.f 6th December, 2016.

Pursuant to the provision of Section 203, 205 and other applicable provision (including any modification or re-enactment thereof), if any, of the Companies Act, 2013 and pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company approved the appointment of Mrs. Poonam Maurya as Company Secretary of the Company with effect from 6th December, 2016.

Pursuant to the provisions of Section 168 of Companies Act 2013, Mrs. Sharmila Singh, Director of the Company, resigned with effect from 15th September, 2016.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual financial statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. Such accounting policies as mentioned in the notes to the Financial Statements for the year ended 31st March, 2017 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual financial statements for the year ended 31st March, 2017 have been prepared on a going concern basis;
5. Internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
6. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and are operating effectively.

NUMBER OF BOARD MEETINGS

During the year under review, 10 Board Meetings were held viz on 26th April 2016, 19th May 2016, 23rd July 2016, 20th August 2016, 21st September 2016, 14th November 2016, 24th December 2016, 28th January 2017, 21st March 2017, 30th March 2017; the details of which are given in the annexure to Board Report.

STATUTORY AUDITORS

The Audit Committee and the Board of Directors of the Company have recommended to the members of the Company, appointment of M/s. JCRand Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 26th Annual General Meeting of the Company subject to its ratification every year in the Board as well as General Meeting. The Company has received a letter from M/s. M/s. JCR and Co., Chartered Accountants confirming that they are eligible for appointment.

M/s. GodboleBhave and Co., Chartered Accountants, was the statutory auditors of the company for FY 15-16.

AUDITORS' REPORT

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

CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES

In accordance with the provisions of Companies Act, 2013 ("the Act"), SEBI (LODR) Regulations, 2015 and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited Corporate Overview Management Reports, Consolidated Financial Statements form part of the Annual Report. In view of this, the Balance Sheet, Statement of Profit and Loss and other related documents of the subsidiaries are attached in this Annual Report. A copy of Audited Financial Statements of the Subsidiary shall be made available for inspection at the Registered Office of the Company during business hours. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiary shall make specific request in writing to the Company Secretary. The Audited Financial Statements of the subsidiaries are also available on the website www.perfectinfra.com of the Company. As on 31st March, 2017, the Company has 1 subsidiary. The Company does not have any Associate Company pursuant to the provisions of the Companies Act, 2013. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial position of subsidiary is given in Form AOC-1 annexed as "**Annexure 1**" to this Report. The Company has framed a policy for determining material transaction with subsidiary.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Companies Act, 2013, extract of the Annual Return of the Company in Form MGT-9 is annexed as **"Annexure 2"** to this Report. Secretarial Audit Report Pursuant to the provisions of Section 204 of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, had appointed M/s. Prajakta V. Padhye & Co., Company Secretaries in Practice (FCS:7478, CP No.: 7891) to undertake the secretarial audit of your Company for the financial year ended March 31, 2017. Their audit report is annexed herewith this report as **Annexure-3**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 ("Act") read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March, 2017, none of the employees of the Company draws remuneration in excess of the limits set out in the said rules. The details required as per said rules and the Disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **"Annexure 6"** to this Report.

SEGMENT

The Company operates in multi-segments i.e. HVAC, Mechanical and MEP (Supply/Testing of Air-conditions and Electrical) and Annual Maintenance Contracts of Air-conditioning and giving Air-conditioners on rent.

CAPACITY EXPANSION

The Company has registered with NSIC in 2016 by which it can benefit under "Public Procurement Policy for Micro & Small Enterprises (MSEs) Order 2012" as notified by the Government of India, Ministry of Micro Small & Medium Enterprises. Benefits accruing to NSIC-registered companies are as follows:

- Issue of the Tender Sets free of cost;
- Exemption from payment of Earnest Money Deposit (EMD),
- In tender participation, MSEs quoting price within price band of L1+15 per cent shall also be allowed to supply a portion upto 20% of requirement by bringing down their price to L1 Price where L1 is non-MSEs.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

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

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

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

PERFORMANCE EVALUATION OF DIRECTORS

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

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

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

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

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

INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS

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

RISK MANAGEMENT

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

DEPOSITS

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

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS

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

GENERAL

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 or said items are not applicable to the Company:

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2016-17 and the date of this report.

ACKNOWLEDGEMENTS

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

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

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

For and on behalf of the Board

Nimesh Mehta
Director

Manisha Mehta
Director

DIN:0024264
Mumbai
30th August, 2017

DIN:0024274

Annexures to Director's Report

Annexure 1

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

S. No	Particulars	Details
1	Name of the subsidiary	Perfect Control Panels Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Share capital	Rs. 1,00,06,000
5	Reserves & surplus	Rs. 1,180,598
6	Total assets	Rs. 33,114,466
7	Total Liabilities	Rs. 33,114,466
8	Investments	Rs. 495,000
9	Turnover	Rs. 14,886,164
10	Profit before taxation	10,53,884
11	Provision for taxation	8,87,735
12	Profit after taxation	1,66,149
13	Proposed Dividend	0
14	% of shareholding	100%

For and on behalf of the Board

Nimesh Mehta
Director

Manisha Mehta
Director

DIN:0024264
Mumbai
30th August, 2017

DIN:0024274

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

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Perfect Control Panels Private Limited R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai-400708	U31401MH2015PTC262109	Subsidiary	100.00	2(87) of the Companies Act, 2013

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

(i) CATEGORY-WISE SHARE HOLDING

[illegible]

Other....									
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4987885	47287	5035172	65.31	5042505	10667	5053172	65.55	0.24
B. Public Shareholding									
Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	72000	Nil	72000	0.93	72000	Nil	72000	0.93	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	624000	Nil	624000	8.09	624000	Nil	624000	8.09	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	696000	Nil	696000	9.03	696000	Nil	696000	9.03	Nil
2. Non-Institutions									
a) Bodies Corp									
i) Indian	438000	7783	445783	5.78	442678	Nil	442678	5.74	-0.04
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1063556	6231	1069787	13.88	1072661	6231	1078892	13.99	0.11

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	402000	60666	462666	6	366000	60666	426666	5.53	-0.47
c) Others (Clearing Members)	Nil	Nil	Nil	Nil	12000	Nil	12000	0.16	0.16
Sub-total (B)(2):-	1903556	74680	1978236	25.66	1893339	66897	1960236	25.43	-0.23
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2599556	74680	2674236	34.69	2589339	66897	265626	34.45	-0.24
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	7587441	121967	7709408	100	7631844	77564	7709408	100	Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in share holding during the Year
PROMOTERS								
1	NIMESH NATVARLAL MEHTA	2566053	33.28	0	2566053	33.28	0	Nil
2	MANISHA NIMESH MEHTA	2415832	31.34	0	2433832	31.57	0	0.23
PROMOTER GROUP								
3	PRITI BHANUSHALI	10667	0.14	0	10667	0.14	0	Nil
4	PRITI JAYANT BHANUSHALI	6000	0.08	0	6000	0.08	0	Nil
5	SHARMILA RAMCHANDRA SINGH	36620	0.48	0	36620	0.48	0	Nil
	TOTAL	5,035,172	65.32		5,053,172	65.55		0.23

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MANISHA NIMESH MEHTA				
	At the beginning of the year	2415832	31.34	2415832	31.34
	Increase in shareholding	18000	0.23	18000	0.23
	At the End of the year	2433832	31.57	2433832	31.57

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND	438000	5.68	438000	5.68
2	KEYNOTE CAPITALS LTD	342000	4.44	342000	4.44
3	VIPUL RAMESHCHANDRA SHAH	132000	1.71	114000	1.48
4	ALPESH ANANTRAI DOSHI	108000	1.40	108000	1.40
5	RAJASTHAN TRUSTEE COMPANY PVT LTD	84000	1.09	84000	1.09
6	ECAP EQUITIES LIMITED	84000	1.09	84000	1.09
7	UNION BANK OF INDIA	72000	0.93	72000	0.93
8	GVFL LIMITED	60000	0.78	60000	0.78
9	VINOD LODHA	78000	1.01	60000	0.78
10	PURVI MANAN DOSHI	42000	0.54	42000	0.54

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For Each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mrs. Manisha Mehta	2415832	31.34	2433832	31.57
2	Mr. Nimesh Natvarlal Mehta	2566053	33.28	2566053	33.28
3	Mrs. Sharmila Singh*	36620	0.48	36620	0.48

* Mrs. Sharmila Singh resigned w.e.f. 15th September, 2016.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount due	925.07	92.96	-	1,018.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	0.92	-	-	0.92
Total(i+ii+iii)	925.99	92.96	-	1018.95
Change in Indebtedness during the financial year				
• Addition	205.48	25.08	-	230.56
• Reduction	96.54	80.36	-	176.89
Net Change	108.94	(55.28)	-	53.67
Indebtedness at the end of the financial year				
i) Principal Amount	1032.75	37.68	-	1,070.04
ii) Interest due but not paid	1.58	-	-	1.58
iii) Interest accrued but not due	0.60	-	-	0.60
Total(i+ii+iii)	1034.93	37.68	-	1,072.62

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Nimesh Mehta	Mrs. Manisha Mehta	Mrs. Sharmila Singh	
1	Gross salary	16,29,400	12,47,100	5,04,019	33,80,519
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	16,29,400	12,47,100	5,04,019	33,80,519

a. Remuneration of Independent Director

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary		CFO	Total
		Ms. Neeharika Shukla*	Mrs Poonam Maurya**	Mrs. Manisha Mehta	
1	Gross salary	2,89,642	3,00,000	12,47,100	24,36,742
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0		0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0		0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission		0		
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	2,89,642	3,00,000	12,47,100	24,36,742

* Ms. Neeharika Shukla resigned w.e.f. 6th December, 2016

** Mrs. Poonam Maurya appointed w.e.f. 6th December, 2016

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and behalf of the Board

Nimesh Mehta
Director
DIN:0024264
Mumbai
30th August, 2017

Manisha Mehta
Director
DIN:0024274

MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017 (01-04-2016 to 31-03-2017)

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

Dear Sirs,

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2017 has complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PERFECT INFRAENGINEERS LIMITED** ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and The Companies Act, 1956 (the Old Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment.
- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015;
- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1st December, 2015;
- (e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable);
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable as the Company has not issued and listed securities during the financial year under review);
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable as the Company has not issued and listed debt securities during the financial year under review);
- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

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

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

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

- 1) The Company has filed some forms with late filing fees.
- 2) The Company has not filed form MGT-14 board resolutions with respect of the approval of the Financial Statements for the year ended 31st March, 2016.
- 3) No meeting of Independent Directors was held during the period.
- 4) The Company has called for the Annual General Meeting on 15th September, 2016 by giving notice on 29th August, 2016, but the Company was not able to obtain shorter notice

consent from 95% of the shareholders as required under the provisions of the Companies Act, 2013. Therefore the meeting called on 15th September, 2016 was cancelled. The Company has obtained the extension for holding the Annual General Meeting from the Registrar of Companies vide its letter dated 30th September, 2016. The Company has convened the Annual General Meeting for the financial year ended 31st March, 2016 on 12th December, 2016.

- 5) The Company has not complied with the requirement of Section 134 with respect to disclosures in the Directors' Report.
- 6) The Company has not submitted the Secretarial Audit report on Reconciliation of capital as required under Regulation 55A of Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996 for the quarter ended 31st December, 2016.
- 7) The Company has not submitted the disclosures as required under Securities and Exchange Board of India [Substantial Acquisition & Takeovers] Regulations, 2011.
- 8) The Company has not made disclosures with respect to investments made in subsidiary as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 9) The Company has not complied with Regulation 31(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding dematerialization of shares of Promoter's Group.
- 10) The website of the Company is under process of updation for disclosures as required under Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as is required as per applicable clauses under Listing Agreement. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance in majority of the Board Meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company has complied with necessary provisions as mentioned in Section 173(3) of the Companies Act in the cases where shorter notice is given for Board Meeting.

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

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

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

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

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

For PrajaktaV.Padhye & Co,
Practicing Company Secretaries

PrajaktaV.Padhye
Proprietor

Place: Dombivli

FCS: 7478

Date: 30th August, 2017

COP: 7891

FORM NO. AOC.2

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

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

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
A	Key Managerial Personnel					
1	Mrs. Manisha Nimesh Mehta	Rent Paid		{Rs. 120000} (this is an actual amount as disclosed in the notes to accounts)	Nil	Nil
2	Mrs. Sharmila Ramchandra Singh (Upto 15th September 2016)	Rent Paid		{Rs. 110000} (this is an actual amount as disclosed in the notes to accounts)	Nil	Nil
B	Other Related Party					
1	Mrs. Sharmila Ramchandra Singh, Sister of Director (w.e.f. 15th Sep 2016)	Rent Paid		{Rs. 110000} (this is an actual amount as disclosed in the notes to accounts)	Nil	Nil
2	Himar Fabrics & Packaging Private Limited, Director is interested	Purchase		{Rs. 25000} (this is an actual amount as disclosed in the notes to accounts)	Nil	Nil
3	Mr. Ramchandra Singh, Spouse of the Director (Upto 15th September 2016)			{Rs. 108000} (this is an actual amount as disclosed in the notes to accounts)		
C	Subsidiary Company					
1	Perfect Control	Rent received	NA	{Rs. 600000} (this is an	Nil	Nil

	Panels Private Limited			actual amount as disclosed in the notes to accounts)		
		Purchase		{Rs. 6854532} (this is an actual amount as disclosed in the notes to accounts)	Nil	Nil

For and behalf of the Board

Nimesh Mehta
Director
DIN:0024264

Manisha Mehta
Director
DIN:0024274

Mumbai
30th August, 2017

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

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

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

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

iii. Capital Investments on energy conservation equipment

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

B) TECHNOLOGY ABSORPTION

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

a) Payments in foreign currency towards Imports

Imports at CIF Value	2016-17	2015-16
Raw Materials and Traded goods	Nil	Nil
Capital Goods	Nil	Nil

b) Payments in foreign currency towards Expenditure: Nil**c) Earnings in foreign currency on Accrual basis**

Earnings in foreign currency	2016-17	2015-16
Exports – Products	7,943,532	1,24,82,685
Exports – Services	-	36,81,839

d) Net Gain or Loss on Foreign Currency Translation

Description	2016-17	2015-16
Profit on Foreign Currency Translation	-	4,10,862

For and behalf of the Board

Nimesh Mehta
Director
DIN:0024264

Manisha Mehta
Director
DIN:0024274

Mumbai
31st August, 2017

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

- i. The details of remuneration of each Director and KMP during the Financial Year 2015-16 and the percentage increase in remuneration of each Director and KMP, ratio of the remuneration of each Director to the median remuneration of the employees for the Financial Year 2016-17 and the comparison of remuneration of each KMP against the performance of the Company are as follows:
- ii. The median remuneration of employees of the Company for the Financial Year was 1,56,000.
- iii. There was no increase in the median remuneration of employees in the Financial Year.
- iv. There were 112 permanent employees on the rolls of the Company as on 31st March, 2017.
- v. Relationship between average increase in remuneration and company performance: Profit before tax decreased by 08.78 % in the Financial Year 2016-17, whereas the Company retained the talented employees without increase in remuneration.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel is same as on 31st March 2016 and as on 31st March 2017.
- vii. Variations in the market Capitalization: The market capitalization as at 31st March 2017 is 14.84 cr (12.52 cr at 31st March, 2015)
- viii. Price earnings ratio of the Company was 25.32 as at 31st March, 2017. As the shares got listed only in November 2015, there was no trading before that.
- ix. The Closing price of the Company's equity share on the NSE Emerge Platform as of 31st March, 2017 was Rs 19.25, which was lower by 16.30% than the IPO Price of 23.
- x. Salaries of employees are stable whereas remuneration of Managing Director & Wholetime Directors decreased by 21.41%, since Mrs. Sharmila Singh resigned during the financial year 2016-17.
- xi. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, and Key Managerial Personnel.
- xii. During the Financial Year, no employee received remuneration in excess of the highest-paid Director.
- xiii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and behalf of the Board

Nimesh Mehta
Director
DIN:0024264
Mumbai
30th August, 2017

Manisha Mehta
Director
DIN:0024274

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The estimated total market size for air conditioning in India is around Rs 16,000 cr of which, the market for central air conditioning, including central plants, packaged/ducted systems, VRF systems and other ancillary equipment, is reportedly about Rs 5,900 cr.

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

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

- **Increased focus on energy conservation and demand prediction:** Since prerequisite for any effective management is measurement, a high emphasis is observed on measuring and reporting of energy consumption at an increasingly granular level. Increased focus on the energy utilization is also due to the fact that the energy consumption level in the HVAC appliances is comparatively higher.
- **Slow Economic Recovery** is resulting in demand moderation of HVAC systems and leading to a greater emphasis on energy savings. Global economic recovery has been sluggish especially in the US and Europe regions. This coupled with reduced incomes and higher energy bills have impacted the overall demand for HVAC systems.
- **Greater shift towards smart grids, smart metering and building automation:** Smart grids help in intelligent distribution resulting in minimal losses, whereas measurement and reporting of consumption in real time is achieved by smart meters.
- **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 will also be achieved by reduced trips by service persons.
- **Increased interest in the technologies like Big data, cloud computing and advanced analytics:** HVAC OEMS are increasingly turning to technologies like Big data, cloud computing and advanced analytics to create product differentiation and gain market share. These technologies are used for trend analysis, pattern recognition, cause and effect analysis, etc. Big data and advanced analytics are also being leveraged to predict future energy requirements, to comply with statutory and regulatory guidelines by giving detailed proof of efficiency and performance.
- Environmental factors like ozone depletion and global warming has resulted in increased awareness about effective energy consumption and also seeded various green initiatives.

Company's Strengths

- **Brand presence:** 'Perfect Infra' represents a brand in the market we operate in. Our service offerings coupled with technical know-how, competitive fees, execution capabilities and track record of over a decade has provided us with a brand recognition and credibility. Our recognition and acceptance has significantly contributed to the success of our business.
- **Ability to undertake complex projects:** We, over the period, have acquired skills to undertake and manage complex projects across the sectors. Such complexity includes

geographical expansions, procurement planning, human resource management, etc. We are also one of the few companies approved by Central Public Works Division (CPWD) of India (Class B) for both HVAC and electrical which enables us to bid for government projects. Such projects include Mantralaya (Govt. of Maharashtra), IIT Bombay, Indian Institute of Information Technology, Design and Manufacturing (IIITDM), All India Radio (Bhopal), Indian Institute of Science Education and Research IISER (Pune). This has helped our team to increase its efficacy towards complicated process and techniques involved in installation and commissioning projects of large scale.

- **Experienced Promoter & Management:** Promoter Chairman & Managing Director, MrNimesh Mehta, who is a mechanical engineer, has experience of more than 20 years in the HVAC industry and is well acquainted with the dynamics of the industry. In addition, the middle management team, skilled work force and marketing personnel provide the company with the depth needed to manage growth.
- **Overseas Presence:** Leveraging its execution capabilities in the HVAC segment, Perfect Infra has become an established player in geographies outside India such as Nigeria and Tanzania. It has already completed projects for companies in pharmaceutical and medical diagnostic sectors in these places. We continue to focus on further penetrating these markets and plans to execute turnkey MEP projects.
- **Panel manufacturing unit:** Your company's wholly-owned subsidiary viz. Perfect Control Panels Pvt. Ltd has set up a facility for manufacturing/assembly of electric panels required for the MEP projects executed by our Company and also for sale to the third parties/ customers. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to an increased profitability for our company in the years to come.
- **Process Management:** We have implemented customized 'Systems, Applications & Products in Data Processing (SAP)' programme covering our offices which enables us to have a complete Enterprise Resource Planning and management.

BUSINESS STRATEGY

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

- *Focus on HVAC & MEP Services:* We intend to continue our focus on our core expertise. Our HVAC & MEP business provides us with further growth opportunities through retention of existing clients and attainment of new ones. We believe that our inherent strength lies in the domain expertise developed over the years in providing HVAC & MEP services to different clients representing different business sectors.
- *Entry into manufacturing:* Through our subsidiary Perfect Control Panels Pvt. Ltd we have ventured into manufacturing of electric control panels. This complements our contracting business which involves supply and installation of HVAC/MEP systems and related electric equipment.
- *Increasing our geographical reach:* HVAC & MEP markets have shown increased growth with many projects coming up in real estates and infrastructural developments. With thrust in the development of core infrastructure, we believe there are ample opportunities available for us to cater to the ever expanding requirement. Accordingly, we propose to venture out in other new geographic locations in India, Middle East as well as Africa.
- *Focus on Cordial relations with our Suppliers, Customers and employees:* We believe in developing and maintaining long term sustainable relationships with our suppliers, consumers and employees which will enable us to achieve our goals particularly, to get repeat orders and also entering into new markets. We offer our services at competitive prices, which will help us, achieve consumer satisfaction and build long term relationships.

PROSPECTS

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

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

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

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

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

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

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

For and behalf of the Board

Nimesh Mehta
Director

Manisha Mehta
Director

DIN: 0024264
Mumbai
30th August, 2017

DIN: 0024274

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

II. BOARD OF DIRECTORS

The Board of Directors of the Company consists of optimum combination of Executive and Non-Executive Directors. As at 31st March, 2017, the Company's Board had 4 Directors, of which two were Executive Directors, and two Independent Directors. The composition of the Board and category of Directors were as follows:

Category	Name of Director & Designation	DIN
Promoters & executive Directors	Mr. Nimesh Natvarlal Mehta	0024264
	Mrs. Manisha Nimesh Mehta	0024274
Executive Directors & Promoter Group	Mrs. Sharmila Ramchandra Singh*	2355992
Independent Directors	Mr. Pradeep Shrirang Bhawe	6757517
	Mr. Vinay Raghunath Deshmukh	7153755
	Mr. Vipul J. Vora*	7235502

* Mrs. Sharmila Singh Resigned w.e.f. 15th September, 2016

*Mr. Vipul Vora Resigned w.e.f. 28th January, 2017

The details of Directorship held in other Companies/Board Committees by each Member of the Board of Directors of the Company as on 31st March, 2017 were as under –

Sl.no	Name of the Director	Number of Directorship held in other Companies	Number of Board Committee Memberships / Chairmanships held in other Companies	
			Membership	Chairmanship
1	Mr. Nimesh Mehta*	1	1	0
2	Mrs. Manisha Mehta*	1	1	0
3	Mrs. Sharmila Singh	0	0	0
4	Mr. Pradeep Bhawe	2	2	0
5	Mr. Vinay Deshmukh	0	0	0
6	Mr. Vipul Vora	0	0	0

Notes:

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

Relationship between Directors

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

Shareholding of Directors

None of the Directors have any shareholding in our Company as on 31st March, 2017 except as disclosed below:

Sl. No.	Name of the Director	No. of Shares	% of Equity Share Capital
1	Mr. Nimesh Natvarlal Mehta	2566053	33.28
2	Mrs. Manisha Nimesh Mehta	2433832	31.57
3	Mrs. Sharmila Ramchandra Singh	36620	0.48

* Mrs. Sharmila Singh Resigned w.e.f. 15th September, 2016

Meetings and Attendance

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

During the year, the Board met 10 times. The meetings of the Board of Directors were held on 26th April 2016, 19th May 2016, 23rd July 2016, 20th August 2016, 21st September 2016, 14th November 2016, 24th December 2016, 28th January 2017, 21st March 2017, 30th March

2017. The attendance of each Director at the Board Meetings and at the last Annual General Meeting is as under:

Sl. No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended	Last Annual General Meeting held on 15th September, 2016
1	Mr. Nimesh Natvarlal Mehta	10	10	Yes
2	Mrs. Manisha Nimesh Mehta	10	10	Yes
3	Mrs. Sharmila Ramchandra Singh	10	2	No
4	Mr. Pradeep Shrirang Bhawe	10	10	No
5	Mr. Vinay Raghunath Deshmukh	10	7	No
6	Mr. Vipul J. Vora	7	4	No

III. COMMITTEES

i) Audit Committee

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

Sl.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. Pradeep Bhawe	Independent Director, Chairman	4	4
2	Mr. Vinay Deshmukh	Independent Director, Member	4	3
3	Mrs. Manisha Mehta	Director, Member	4	4

The Company Secretary acts as the Secretary of the Committee. Meetings of the Audit Committee of the Board were held on 19th May, 2016, 23rd July, 2016, 14th November, 2016 and 28th January, 2017.

Terms of Reference

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

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the Management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.

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

- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
17. Any other terms of reference as contained in the Companies Act, 2013.

ii) **Nomination and Remuneration Committee**

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

Sl. No	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. Pradeep Bhawe	Independent Director, Chairman	5	5
2	Mr. Vinay Deshmukh	Independent Director, Member	5	4
3	Mr. Vipul Vora*	Independent Director, Member	5	4

*Mr. Vipul Vora resigned w.e.f.28th January, 2017.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 26th April, 2016, 19th May, 2016, 23rd July, 2016, 24th December, 2016 and 28th January, 2017.

Terms of Reference

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

1. Recommending /reviewing remuneration of the Managing Director and Whole-time Directors as also of Non-executive Directors based on their performance and defined assessment criteria;
2. Determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
3. Determining / recommending the criteria for qualifications, positive attributes and independence of Directors;

4. Reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
5. Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
6. Determining policy on service contracts, notice period, severance fees for Directors and Key Managerial person;
7. Evaluating each Director's performance and performance of the Board as a whole.
8. Carrying out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

Directors' Appointment Criteria/Policy

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

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

Remuneration Policy

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

Details of Remuneration paid to the Directors for the year 2015-16 were as follows:

Name of Director	Sitting Fee	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / executive Directors					
Mr. Nimesh Mehta	-	16,29,400			16,29,400
Mrs. Manisha Mehta	-	12,47,100	-	-	12,47,100
Executive Directors					
Mrs. Sharmila Singh	-	5,04,019	-	-	5,04,019
Independent Directors		-	-	-	-
Mr. PradeepBhave	1,30,000	-	-	-	1,30,000
Mr. VinayDeshmukh	40,000	-	-	-	40,000
Mr. VipulVora	70,000	-	-	-	70,000

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

iii) Stakeholder Relationship Committee

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

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

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

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Stakeholder Relationship Committee of the Board of Directors were held on 19th May, 2016, 23rd July, 2016, 14th November, 2016 and 28th January, 2017.

Terms of Reference

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

Name and designation of Compliance Officer

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

Investor Grievance Redressal:

During the Financial Year 2016-17, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2017.

IV. GENERAL BODY MEETINGS

(i) Details of last three Annual General Meetings held

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

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

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

The Company did not pass any special resolution during the Financial Year 2016-17 under review.

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

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

V. DISCLOSURES

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

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

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

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

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

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

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

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

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

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Independent Directors Meeting

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Accordingly, the meeting of independent directors, without attendance of non-independent directors and members of the Management, will be held in current year and reviewed the performance of the Chairperson, non-independent directors and the Board as a whole, the flow of information between the Company management and the Board.

WHISTLE BLOWER POLICY

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

Designated Exclusive email-id

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

VI. MEANS OF COMMUNICATION

(i) Yearly/ Half-yearly Results

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

(ii) Dissemination of information through Website

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

VII. GENERAL SHAREHOLDER INFORMATION

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

Friday, 27th September, 2017 at 10.30 AM

Financial Year: April to March

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

Listing on Stock Exchanges & Stock Code:

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

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

Registrar and Transfer Agents:

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

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

Distribution of Shareholding as on 31st March, 2017:

S.no	Category	Cases	% of Cases	Amount	% Amount
1	5001 - 10000	2	1.05	15640.00	0.02
2	10001 - 20000	4	2.09	62230.00	0.08
3	20001 - 30000	1	0.52	28950.00	0.04
4	30001 - 40000	1	0.52	31050.00	0.04
5	40001 - 50000	6	3.14	300000.00	0.39
6	50001 - 100000	145	75.92	8717830.00	11.31
7	100001 & ABOVE	32	16.75	67938380.00	88.12
	Total:	191	100.00	77094080.00	100.00

Shareholding Pattern as on 31st March, 2017:

Sno	Description	Cases	Shares	% Equity
1	BANKS	1	72000	0.93
2	CLEARING MEMBERS	1	12000	0.16
3	H U F	27	204000	2.65
4	BODIES CORPORATES	5	442678	5.74
5	PROMOTERS GROUP	3	53287	0.69
6	PROMOTER INDIVIDUALS	2	4999885	64.85
7	RESIDENT INDIVIDUALS	148	1301558	16.88
8	VENTURE CAPITAL	4	624000	8.09
	Total:	191	7709408	100.00

Dematerialisation of Shares and Liquidity as on 31st March, 2017:

Sno	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	8	77564	1.01
2	NSDL	83	5873224	76.18
3	CDSL	100	1758620	22.81
	Total:	191	7709408	100.00

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

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

Plant Locations and Research & Development Centre:

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

Investor Contacts**Company Secretary and Compliance Officer**

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

Registrar and Share Transfer Agents

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

For and behalf of the Board

Nimesh Mehta

Manisha Mehta

DIN:0024264

DIN:0024274

Director

Director

Mumbai

30th August , 2017



PERFECT
INFRAENGINEERS LTD.

**STANDALONE FINANCIAL
STATEMENT
F.Y. 2016 - 2017**

GODBOLE BHAVE & CO.

CHARTERED ACCOUNTANTS

M. V. BHAVE

B.com., B.G.L., F.C.A.
Partner

A. S. MAHAJAN

B.Com., F.C.A.
Partner

501, Kinara CHS Ltd., Mhatre Wadi Road, Dahisar (W), Mumbai - 400 068. Tel. : 28924523, 65126777

Independent Auditors' Report

To,

THE MEMBERS OF PERFECT INFRAENGINEERS LTD

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PERFECT INFRAENGINEERS LTD** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 (Indian GAAPs), including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable.

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



Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31 March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act, as applicable.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No.31 to the financial statements ;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



- iv. The Company has provided the requisite disclosures in the Standalone Financial Statements as regards to its holdings and dealings in Specified Bank Notes as defined in the Notification S.O 3407(E) dated November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 and based on audit procedure performed and the representation provided by the Management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management (refer to Note No 18.1 of Standalone Financial Statements).



Place: Mumbai
Date: 26th May, 2017

For Godbole Bhave & Co.
Chartered Accountants
FRN 114445W

Arvind Mahajan

Arvind Mahajan
Partner
Membership No. :100483

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **PERFECT INFRAENGINEERS LTD** on the standalone financial statements for the year ended March 31,2017.

(i)

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the Company has a phased program of physical verification of the fixed assets, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. During the year the Company, in accordance with the said program, has physically verified certain fixed assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and based on the records produced, the title deeds of the immovable properties are held in the name of the Company.

(ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and same have been properly dealt with.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly clause (iii) of Paragraph 3 of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made. According to the information and explanations given to us, the Company has not provided any guarantee/security nor has given any loans.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from public therefore; the provisions of clause (v) of Paragraph 3 of the Order are not applicable to the Company.

(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, in respect of business activities carried on by the Company. Therefore, the provisions of clause (vi) of Paragraph 3 of the Order are not applicable to the Company.



(vii)

- a) On the basis of examination of the relevant records and according to the information and explanations given to us, we are of the opinion that the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Duty of Customs, Duty of Excise, Cess and other applicable statutory dues.

On the basis of examination of the relevant records and according to the information and explanations given to us, except for Sales Tax / Vat & Tax Deducted at Source of Rs. 6,86,774/-, no undisputed amounts payable in respect of Provident Fund, Employees' State insurance, Income-tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other applicable statutory dues were outstanding, as at 31st March 2017 for a period of more than six months from the date they became payable.

- b) On the basis of the books of accounts and records of the Company as produced and examined by us, except for disputed Value Added Tax dues as detailed below, there are no dues of Income Tax, sales Tax, Service Tax, Duty of customs and Duty of excise which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount ₹	Year to which the amount relates	Forum where dispute is pending
Karnataka VAT Act	VAT	14,75,843/-	2011-12 & 2012-13	JT. Comm. Of Commercial taxes(Appeals) -4, Bangalore
Maharashtra VAT Act	VAT /CST	1,31,54,746/-	2007-08,2008-09,2010-11 to 2014-15	Dy. Commissioner of Sales Tax (Appeals),Thane

Out of the above disputed value added tax dues, an amount of Rs. 29,87,511/- has been paid by the Company under protest and has also furnished a bank guarantee of Rs.3,71,900/- in one of the case.



- (viii) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has defaulted in repayment of borrowings repayable on demand to bank. The Company has not availed any loans or borrowings from government or debenture holders. The lender wise details of the amount of default and the period of default are as under.

Sr. No.	Name of The Lenders	Nature of Dues	Amount of Default as at 31 st March, 2017	Period of Default
1	ICICI Bank	Overdue Amount of Loan repayable on demand	₹ 7,94,698/-	Feb 17 & Mar-17
2	ICICI Bank	Interest Accrued & Due	₹ 1,58,274/-	Mar 17

- (ix) According to the information and explanations given to us and on the basis of examination of records, the money raised in earlier year by the Company by way of initial public offer and term loans were applied for the purposes for which those were raised. The Company has not raised any money by way of further public offer (including debt instruments) during the year.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of examination of records, the managerial remuneration paid/provided during the year is in accordance with provisions of section 197 read with schedule V of the Act.
- (xii) According to the information and explanations given to us and in our opinion, the Company is not a Nidhi Company and accordingly the provisions of clause (xii) of Paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable and the details of such transactions are disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company during the year has not made any preferential allotment or private placement of shares or issued fully or partly



convertible debentures. Accordingly the provisions of clause (xiv) of Paragraph 3 of the Order are not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not entered into any non cash transactions with directors or persons connected with the directors and accordingly the provisions of clause (xv) of Paragraph 3 of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Place: Mumbai
Date: 26th May, 2017

For Godbole Bhawe & Co.
Chartered Accountants
FRN 114445W

Arvind Mahajan

Arvind Mahajan
Partner
Membership No. :100483

Annexure – B to the independent auditor's report of even date on the financial statements of Perfect Infraengineers Limited

Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **PERFECT INFRAENGINEERS LTD** on the standalone financial statements for the year ended March 31, 2017.

Report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the companies act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Perfect Infraengineers Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

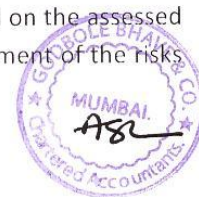
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 issued by ICAI.

Place: Mumbai
Date: 26th May, 2017



For Godbole Bhawe & Co.
Chartered Accountants
FRN 114445W

Arvind Mahajan

Arvind Mahajan
Partner
Membership No. :100483

PERFECT INFRAENGINEERS LIMITED

Balance Sheet as on 31st March,2017

Particulars	Note no.	As at 31st March,2017	As at 31st March,2016
I. EQUITY & LIABILITIES			
1 Shareholder's Funds			
(a) Share capital	2	77,094,080	77,094,080
(b) Reserves and surplus	3	55,139,791	49,306,831
2 Non-current liabilities			
(a) Long-term borrowings	4	12,797,397	23,377,256
(b) Deferred tax liability (net)	5	2,401,386	2,552,872
(c) Other long - term liabilities	6	183,050	183,050
(d) Long-term provisions	7	2,417,069	3,316,991
3 Current liabilities			
(a) Short-term borrowings	8	81,151,779	64,797,576
(b) Trade payables	9	29,875,606	38,601,953
(c) Other current liabilities	10	27,419,268	40,434,655
(d) Short-term provisions	11	1,492,659	4,263,918
TOTAL		289,972,084	303,929,182
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	12	56,975,389	59,611,422
Intangible assets		387,195	875,654
(b) Non Current Investments	13	10,093,122	11,107,175
(c) Long-term loans and advances	14	2,499,746	6,567,511
(d) Other non-current assets	15	5,023,052	14,519,805
2 Current assets			
(a) Inventories	16	51,935,722	48,227,943
(b) Trade receivables	17	81,284,967	96,768,509
(c) Cash and bank balances	18	6,369,375	6,569,591
(d) Short-term loans and advances	19	18,905,688	23,780,949
(e) Other current assets	20	56,497,827	35,900,623
TOTAL		289,972,084	303,929,182

Significant Accounting Policies 1

Notes form an integral part of the 2 to 37

As per our Report of even date
For Godbole Bhawe & Co.
Chartered Accountants
FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan
Partner
M. No. 100483
Place: Mumbai
Date: 26-May-2017

Nimesh Mehta
Chairman & Managing Director

Manisha Mehta
Director- Finance

Poonam Maurya
Company Secretary

PERFECT INFRAENGINEERS LIMITED
Statement of Profit & Loss for year ended 31st March, 2017

Particulars	Note No.	31st March,2017	31st March,2016
I. Revenue from operations	21	155,603,108	172,636,635
II. Other Income	22	2,780,195	8,776,988
III. Total Revenue (I + II)		158,383,303	181,413,623
IV. <u>Expenses:</u>			
Cost of Materials/Services Consumed	23	79,160,296	90,567,067
Employee benefits expense	24	28,013,655	38,161,955
Finance costs	25	15,738,184	15,985,132
Depreciation and amortization expense	12	6,878,517	6,946,337
Other expenses	26	19,841,860	20,160,152
Total Expenses		149,632,512	171,820,643
V. Profit before tax (III- IV)		8,750,792	9,592,980
VI. Tax Expense:			
(1) Current tax		3,069,314	2,200,000
(2) Deferred tax		(151,486)	873,525
(3) Excess Provision of Previous Year		-	541,242
		2,917,828	3,614,767
VII. Profit (Loss) for the period (V-VI)		5,832,963	5,978,213
VIII. Earnings per equity share:	27		
Face value of Rs. 10 each			
-Basic and Diluted		0.76	0.99

Significant Accounting Policies

1

Notes form an integral part of the financial

2 to 37

As per our Report of even date

For Godbole Bhawe & Co.

Chartered Accountants

FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan

Partner

M. No. 100483

Place: Mumbai

Date: 26-May-2017

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Poonam Maurya

Company Secretary

PERFECT INFRAENGINEERS LIMITED
STANDALONE CASHFLOW STATEMENT for the year ended 31st March,2017

	Amount	Amount
Particulars	FOR THE YEAR ENDED MARCH 31,2017	FOR THE YEAR ENDED MARCH 31,2016
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items:	8,750,792	9,592,980
Depreciation	6,878,517	6,946,337
Interest and Dividend Income	(643,646)	(273,618)
Profit on Sale of Investments	(214,682)	-
Provisions written back	1,301,744	1,337,892
Bad Debts w/off	-	480,454
(Profit)/Loss on sale of fixed assets	-	(4,518,577)
Provision for Gratuity	390,000	527,890
Interest on Borrowings	15,738,184	15,985,132
Share Issue Expenses W/off	1,763,536	642,603
Operating Profit before Working Capital changes	33,964,446	30,721,094
Adjustments for:		
Inventories	(3,707,779)	(35,391,403)
Trade Receivables	15,483,542	26,213,374
Loans and advances	8,943,026	(18,157,666)
Other non current assets and Current Assets	(12,266,493)	(15,586,533)
Trade payables	(8,726,347)	(3,532,021)
Other current liabilities and provisions	(20,244,003)	2,241,033
Cash generated from Operations	13,446,391	(13,492,122)
Direct taxes received / (paid)	2,263,436	(4,151,271)
Cash Flow from Operating Activities	15,709,827	(17,643,392)
Extraordinary items:		
Extraordinary item	-	-
Net Cash from Operating Activities: (A)	15,709,827	(17,643,392)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets \WIP\Capital Advance	(3,754,024)	(3,691,969)
Proceeds from Sale of Fixed Assets	-	5,000,000
Investments in Subsidiaries	(6,000)	(9,906,000)
Purchase of Investment	-	-
Sale proceeds from sale of shares	1,234,734	-
Interest and Dividend Income	643,646	273,618
Net cash generated from/(used in) investing activities (B)	(1,881,644)	(8,324,351)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Fresh Issue	-	59,892,000
Increase in Unsecured Lonas	-	-
Increase/(Decrease) in Loans from Bank (Net)	5,240,658	(6,766,930)
Interest /Finance Charegs paid	(14,816,859)	(16,012,571)
Dividend Paid / Dividend Distribution Tax Paid	(3,854,704)	(1,999,668)
Share issue Expenses	(597,494)	(7,487,142)
Fixed Deposit held with Bank as margin Money	(93,896)	(1,128,633)
Net cash received from/(used in) financing activities (C)	(14,122,295)	26,497,056
Net increase in cash and cash equivalents (A + B + C)	(294,112)	529,312
Cash and cash equivalents (Opening)	1,798,134	1,268,821
Cash and cash equivalents (Closing)	1,504,021	1,798,134
Cash and Cash equivalents as restated	1,504,021	1,798,134

PERFECT INFRAENGINEERS LIMITED
STANDALONE CASHFLOW STATEMENT for the year ended 31st March,2017

1

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

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

As per our Report of even date

For Godbole Bhawe & Co.

Chartered Accountants

FRN : 114445W

For and on behalf of the Board of Directors

Nimesh Mehta
Director

Manisha Mehta
Director

Arvind S. Mahajan

Partner

M. No. 100483

Place: Mumbai

Date: 26-May-2017

Poonam Maurya

Company Secretary

PERFECT INFRAENGINEERS LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis for preparation of Financial Statements:

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

2. Use of Estimate:

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

3. Revenue recognition:

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

- a. Revenue from Turnkey Contracts is recognized based on work completion of activity or achievement of milestone.
- b. Revenue from sale of products is recognized upon passing of the title of goods and/or on transfer of significant risk and rewards of ownership thereto.
- c. Revenue from Services is recognized on performance of Service in accordance with the terms of contract with customers.
- d. Dividend income is recognized when the right to receive dividend is established.

- e. Income such as annual maintenance contracts, Interest, Lease Rentals is recognized as per contractually agreed terms on time proportion basis.
- f. Export benefits are accounted for in the year of exports, based on eligibility and when there is no uncertainty of receiving the same.
- g. Other income is recognized when the right to receive is established.

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

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

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

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

5. Depreciation:

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

Intangible assets are amortised over a period of 3 years.

6. Impairment of Assets:

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

7. Investments:

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

8. Inventories:

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

9. Foreign currency transactions:

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

10. Employee Benefits:

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

11. Provision for Current and Deferred Tax:

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

12. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities

are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

13. Borrowing Cost:

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

14. Leases:

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

15. Provision for Doubtful Debts and Loans and Advances:

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

16. Earnings per share

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

17. Share Issue Expenses

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

18. Cash & Cash Equivalents

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

PERFECT INFRAENGINEERS LIMITED

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

NOTE 2: SHARE CAPITAL

	31st March,2017		31st March, 2016	
	Number	Amount (`)	Number	Amount (`)
2.1 <u>Authorised</u>				
Equity Shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
2.2 <u>Issued, Subscribed & Paid up</u>				
Shares at the beginning of the period	7,709,408	77,094,080	5,105,408	51,054,080
Add: Issued during the year	-	-	2,604,000	26,040,000
Add: Issued Bonus shares	-	-	-	-
Shares at the end of the period	7,709,408	77,094,080	7,709,408	77,094,080
2.3 <u>Reconciliation of Number of Shares</u>				
Outstanding at Beginning of the period	7,709,408		5,105,408	
Add: Issued during the year for Cash	-		2,604,000	
Add: Issued as Bonus Shares	-		-	
Less: Shares Bought back during the period	-		-	
Outstanding at the end of the period	7,709,408		7,709,408	
2.4 <u>Aggregate Number of bonus shares issued, issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</u>				
Equity Shares allotted as fully paid bonus shares by capitalization of security premium and free reserves	2,699,685		3,699,685	

2.5 Details of Shareholder holding more than 5% shares

Name of Shareholder	Number	% of Holding	Number	% of Holding
Mr. Nimesh Mehta	2,566,053	33.28%	2,566,053	33.28%
Mrs. Manisha Mehta	2,433,832	31.34%	2,415,832	31.34%
India Opportunities Fund	438,000	5.68%	438,000	5.68%

2.6 Terms /Rights attached to the Equity Shares

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

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

PERFECT INFRAENGINEERS LIMITED

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

Note 3:	RESERVES & SURPLUS	31st March,2017	31st March, 2016
3.1	General Reserve		
	Opening Balance	-	-
	Add: Current Year Transfer	-	-
	Less: Utilised for issue of Bonus Shares	-	-
	Closing Balance	-	-
3.2	Security Premium		
	Opening Balance	33,852,000	-
	Add: Addtion during current year	-	33,852,000
	Less: Utilised for issue of Bonus Shares	-	-
	Closing Balance	33,852,000	33,852,000
3.3	Statement of Profit & Loss		
	Opening Balance	15,454,828	14,102,037
	Add: Net Profit/(Net Loss) for the Period	5,832,963	5,978,213
		21,287,791	20,080,249
	Less: Transferred to General Reserve	-	-
	Less: Praposed Dividend	-	3,854,704
	Less :Provision for Dividend Distribution Tax	-	770,714
	Closing Balance	21,287,791	15,454,831
		55,139,791	49,306,831

PERFECT INFRAENGINEERS LIMITED

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

Note 4:	LONG TERM BORROWINGS	31st March,2017	31st March, 2016
	(Secured)		
	Term Loan		
	- From Banks		
	SIDBI (refer note 4.1 & 4.4)	3,890,000	7,216,000
	ICICI Bank (refer note 4.2 & 4.4)	6,351,364	14,748,220
	- From Others		
	Mahindra and Mahindra Finance (refer note 4.3 & 4.4)	47,996	152,081
	(Unsecured)		
	- From Banks	-	-
	- From Others		
	Tata Capital Financial Services (refer note 4.4)	-	1,260,955
	Loan from Directors (refer note 4.5)	2,508,037	-
		12,797,397	23,377,256

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

- 4.1 a) Term loan from SIDBI Rs. 44,35,000/- is secured by first charge on immovable property of the company located at Ghaziabad;
b) Term loan from SIDBI Rs. 90,00,000/- is secured by charge on all the movable assets (including Current Assets);
c) Directors of the Company have extended Personal Guarantee.
- 4.2 a) Term Loans from ICICI Bank Rs. 2,57,53,875/- is secured by Equitable Mortgage of Plot owned by Company at Rabale and first charge on all of the
b) Exclusive charge by way of Hypothecation over all movable assets, present and future;
c) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Bhiwandi, Thane West and
d) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
e) Directors of the Company have extended a Personal Guarantee.
- 4.3 a) Hypothecation of a Commercial vehicle.

4.4 Terms of Repayment

Nature of Facility and Rate of Interest	Mar 2018	Mar 2019	Mar 2020
Loan from SIDBI @ 13%	882,000	882,000	588,000
Loan from SIDBI @ 16%	2,256,000	2,256,000	164,000
ICICI Bank - 8.35Lacs @ 12%	296,856	101,364	-
ICICI Bank - 250Lacs @ 12.75%	7,500,000	6,016,667	233,333
Loan from Mahindra & Mahindra @ 14%	104,085	47,996	-
Tata Capital Finance Services @ 17.19%	1,260,955	-	-

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

Note 5:	DEFERRED TAX LIABILITES (Net)	31st March,2017	31st March, 2016
5.1	Deferred Tax Liability (A)		
	Depreciation/Adjustment	3,234,028	3,577,822
5.2	Deferred Tax Asset (B)		
	On account of Disallowance U/s. 43 B	(832,643)	(1,024,950)
		2,401,386	2,552,872

PERFECT INFRAENGINEERS LIMITED

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

Note 6:	OTHER LONG TERM LIABILTIES	31st March,2017	31st March, 2016
	Deposits from Customers	183,050	183,050
		183,050	183,050

Note 7:	LONG TERM PROVISIONS	31st March,2017	31st March, 2016
	Provision For Gratuity	2,417,069	3,316,991
		2,417,069	3,316,991

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

Note 8:	SHORT TERM BORROWINGS	31st March,2017	31st March, 2016
	(Secured)		
	Loans repayable on demand		
	ICICI Bank (refer note 8.1)	61,855,761	60,598,226
	The National Small Industries Corporation Ltd (refer note 8.2)	19,296,018	-
		81,151,779	60,598,226
	(Unsecured)		
	Loans repayable on demand		
	Axis Bank (refer note 8.3)	-	4,199,350
		-	4,199,350
		81,151,779	64,797,576

- 8.1 Cash Credit facility from ICICI Bank is secured by :
- a) Exclusive charge by way of Hypothecation over all movable assets, present and future;
 - b) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Bhiwandi, Thane West and Village Dasve and Equitable mortgage of Plot at Rabale;
 - c) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
 - d) Directors of the Company have extended a Personal Guarantee.
- 8.2 The loan from National Small Industries Corporation Limited is secured by Bank Gurantee issued.
- 8.3 Mr. Nimesh Mehta and Mrs. Manisha Mehta, Directors of the Company have extended personal guarantee for Cash Credit facility from AXIS Bank.

PERFECT INFRAENGINEERS LIMITED

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

Note 9:	TRADE PAYABLES	31st March,2017	31st March, 2016
	Trade Payables-for Goods & Services (Including acceptances)	29,875,606	38,601,953
		29,875,606	38,601,953

- 9.1 Trade Payables Includes Rs.77,53,785/-(NIL) payable to Subsidiary Company
- 9.2 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 LIABILTIES	31st March,2017	31st March, 2016
	Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4)	12,299,896	13,628,274
	Due to Bank	794,698	-
	Interest Accrued and due	158,274	-
	Interest Accrued but not due	59,960	91,607
	Statutory Dues payable	4,683,482	953,681
	Advance from Customers	1,318,417	18,434,491
	Employee Benefit Expenses payable	2,554,495	3,422,777
	Due to Ex-employee	520,380	
	Unearned Revenue	1,888,068	1,716,910
	Book Overdraft	642,326	-
	Other payables	2,499,273	2,186,914
		27,419,268	40,434,655

- 10.1 Due to bank represents overdue installment for part of February -17 and March -17 in full, subsequently paid in April-17.
- 10.2 Interest Accrued and due represents overdue interest payable for the month of March-17, subsequently paid in April-17.
- 10.3 Due to ex-employees includes unpaid gratuity of Rs. 520380 on hold.

Note 11:	SHORT TERM PROVISIONS	31st March,2017	31st March, 2016
	Dividend	-	3,854,704
	Provision for Dividend Distribution Tax	-	-
	Provision for Gratuity	277,567	-
	Provision for Income Tax (Net of Advance Tax & TDS)	1,215,092	409,214
		1,492,659	4,263,918

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for year ended 31st March, 2016
Note: 12 TANGIBLE & INTANGIBLE ASSETS (LAST Year)

Name Of Asset	Gross Block As on 1-Apr-15	Addition During the Year	Deduction During the Year	Gross Block As On 31-Mar-16	Depreciation Upto 1-Apr-15	Depreciation For the Year	Transfer to Reserve	Depreciation Adjustment/ Deletion	Depreciation As On 31-Mar-16	Net Block As On 31-Mar-16	Net Block As On 31-Mar-15
<u>TANGIBLE ASSETS</u>											
<u>(a) Buildings</u>											
Office Buildings	9,597,560	-	873,100	8,724,460	1,832,220	367,335		391,677	1,807,878	6,916,582	7,765,340
Factory Building	35,867,700	-		35,867,700	2,744,616	3,146,693			5,891,309	29,976,391	33,123,084
Guest House	13,765,536	-	-	13,765,536	1,401,544	601,857		-	2,003,401	11,762,135	12,363,992
<u>(b) Plant & Equipments</u>											
Owned	897,254	29,235	-	926,489	421,769	94,665	-	-	516,434	410,055	475,485
Owned, Given on Hire	31,044,076	995,312	-	32,039,388	21,884,525	1,981,603	-	-	23,866,128	8,173,260	9,159,551
<u>(c) Furniture & Fixtures</u>	1,539,575	-		1,539,575	939,767	180,341	-	-	1,120,108	419,467	599,808
<u>(d) Vehicles</u>	2,588,002	1,261,099	-	3,849,101	1,958,067	362,632	-	-	2,320,699	1,528,402	629,935
<u>(e) Office Equipment</u>											
Office Equipment	334,889	57,855	-	392,744	298,127	22,885	-	-	321,012	71,732	36,762
Computer	1,757,691	472,076	-	2,229,767	1,688,780	187,588	-	-	1,876,368	353,399	68,911
<u>INTANGIBLE ASSETS</u>											
<u>(a) Software</u>	-	876,392	-	876,392	-	738	-	-	738	875,654	-
TOTAL	97,392,283	3,691,969	873,100	100,211,152	33,169,415	6,946,338	-	391,677	39,724,076	60,487,076	64,222,868
Previous year	61,930,378	36,976,274	1,514,369	97,392,283	26,571,995	7,038,708	338,227	779,515	33,169,415	64,222,868	35,358,383

Note: 12.1

In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the previous year carried out an exercise of identifying assets that many have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2016

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

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

Note: 12.1

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

Note: 12.2

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

PERFECT INFRAENGINEERS LIMITED

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

Note 13: NON CURRENT INVESTMENTS		31st March,2017	31st March, 2016
Trade			
Unquoted Investments			
In Subsdiaries			
Investments in Equity Instruments			
Perfect Controls Panels Private Limited		10,006,000	10,000,000
10,00,600 (10,00,000) Shares of Rs. 10 each, fully paid			
Non Trade			
13.1 Quoted Investments			
Investments in Equity Instruments			
Hindustan Construction Company		-	520,048
NIL (19236) shares of Rs.10 Each fully paid up			
Investments in Mutual Funds			
Kotak Select Fund		20,000	20,000
2,000 Units (2,000 Units) of Rs. 10 each			
Total Quoted Investments		20,000	540,048
Aggregate Market Value of Quoted Shares		57,484	421,350
13.2 Unquoted Investments			
Investments in Equity Instruments			
The Thane Janata Sahakari Bank Ltd		-	500,005
NIL (10,000) shares of Rs. 50 Each fully paid up			
Investment in Government Securities			
National Savings Certificate		20,000	20,000
Total Unquoted Investments		20,000	520,005
13.3 Other Investment : Gold Coin		47,122	47,122
		10,093,122	11,107,175
13.4 For basis of valuation refer note no. 1.7 of Significant Accounting Policy			
Note 14: LONG TERMS LOANS & ADVANCES		31st March,2017	31st March, 2016
(Unsecured Considered Good)			
Rent Deposit		1,141,902	1,096,222
Deposit with Suppliers		755,858	1,156,404
Other Deposits		601,986	4,314,885
		2,499,746	6,567,511
Note 15: OTHER NON CURRENT ASSETS		31st March,2017	31st March, 2016
(Unsecured Considered Good)			
Retention with customers		365,385	8,016,464
Miscellaneous Exp (to the extent not W/off)		4,657,667	6,503,341
		5,023,052	14,519,805
15.1 Miscellaneous Exp (to the extent not W/off) Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy			

PERFECT INFRAENGINEERS LIMITED

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

Note 16:	INVENTORIES	31st March,2017	31st March, 2016
	Stock of raw materials	23,077,648	28,757,655
	Stock of Spares and Components	28,215,573	19,470,288
	Others	642,502	-
		51,935,722	48,227,943
	For basis of valuation refer note no. 1.8 of Significant Accounting Policy		

Note 17:	TRADE RECEIVABLES	31st March,2017	31st March, 2016
	Trade Receivables		
	(Unsecured Considered Good)		
	Outstanding for a Period exceeding six months	24,569,335	36,873,161
	(From the due date of payment)		
	Others	56,715,632	59,895,348
		81,284,967	96,768,509
17.1	The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.		

Note 18:	CASH & BANK BALANCES	31st March,2017	31st March, 2016
	Cash and cash equivalents		
	Cash on hand	586,503	649,016
	Balance with Banks		
	Balances with banks	917,518	1,149,117
	Other Bank Balances		
	- Margin Money for Bank Guarantees*	4,865,353	4,771,457
		6,369,375	6,569,591
	* Represents Fixed Deposits pledged with bank as margin money for the issue of bank guarantees & LC		

18.1 Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank

(in Rs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	163000	49038	212038
(+) Permitted receipts	0	24030	24030
(-) Permitted payments	8000	224539	232539
(-) Amount deposited in Banks	155000	1063	156063
(-) Amount withdrawn from Banks	0	403052	403052
Closing cash in hand as on December 30, 2016	0	250518	250518

*For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the

Note 19:	SHORT TERM LOANS & ADVANCES	31st March,2017	31st March, 2016
	(Unsecured Considered Good)		
	Advance to Suppliers	7,572,296	12,597,413
	Advance to Employees	306,000	473,500
	Deposit_ Govt Authorities_pending Cases	3,032,511	-
	Other Advances & Deposits	7,994,881	10,710,036
		18,905,688	23,780,949
19.1	The Balances of Short Term Loans and advances are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.		

PERFECT INFRAENGINEERS LIMITED

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

Note 20:	OTHER CURRENT ASSETS	31st March,2017	31st March, 2016
	(Unsecured Considered Good)		
	Retention with customers	8,482,548	-
	Accrued receivable (Refer Note No.20.1)	42,301,081	32,832,704
	Prepaid expenses	590,218	491,644
	Balance with Revenue Authorities	-	333,581
	Accrued Interest on Bank Fixed Deposit/NSC	5,672	3,622
	Due from Ex-employees	57,385	
	Other Receivable	3,297,388	557,674
	Miscellaneous Expenses (to the extent not w/off) (Refer Note No. 15.1)	1,763,536	1,681,398
		56,497,828	35,900,623

20.1 Accrued Receivables includes Rs. 75,45,704 towards certain non-moving projects and management is of opinion that theses will resume in short time and will be billed as per contractual terms

Note 21:	REVENUE FROM OPERATIONS	31st March,2017	31st March, 2016
	Trading/ Installation & Commissioning of AC	123,207,956	146,440,355
	Renting of Air Conditioners	12,401,102	8,124,234
	Sale of Services	19,134,328	15,753,992
	Other operating income	859,722	2,318,055
		155,603,108	172,636,635

Note 22:	OTHER INCOME	31st March,2017	31st March, 2016
	Interest Income from Bank Deposits	568,646	198,618
	Dividend Income	75,000	75,000
	Net gain on foreign currency transaction	-	410,862
	Profit on Sale of Fixed Asset	-	4,518,577
	Sundry provisions and credit balances no longer required, written back	1,301,744	1,337,892
	Profit/Loss on Sale of Shares	214,682	-
	Rent Income	600,000	600,000
	Other non-operating income	20,124	1,636,038
		2,780,195	8,776,988

Note 23:	COST OF MATERIALS / SERVICES CONSUMED	31st March,2017	31st March, 2016
	Opening Stock of Raw Material and WIP	48,227,943	12,836,540
	Purchases	73,672,826	113,673,259
	Machine Hire Charges	900,000	-
	Labour	3,235,598	1,804,414
	Site expenses	5,059,652	10,480,798
	Less: Closing Stock of Raw Material and WIP	51,935,722	48,227,943
		79,160,296	90,567,067

Note 24:	EMPLOYEE BENEFIT EXPENSES	31st March,2017	31st March, 2016
	Salaries, wages and bonus	26,614,893	36,577,663
	Contribution to provident and other funds	1,008,762	1,056,402
	Gratuity	390,000	527,890
		28,013,655	38,161,955

Note 25:	FINANCE EXPENSES	31st March,2017	31st March, 2016
	Interest paid to Banks	13,374,079	13,672,101
	Interest Paid to Others	352,186	189,114
	Other Borrowing Costs	2,011,919	2,123,917
		15,738,184	15,985,132

PERFECT INFRAENGINEERS LIMITED

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

Note 26:	OTHER EXPENSES	31st March,2017	31st March, 2016
	Auditor's Remuneration (Refer Note 26.1)	400,000	400,000
	Advertising and Sales Promotion	-	10,000
	Bad Debts	-	480,454
	Communication Costs	717,068	932,660
	Business Promotion expenses	367,500	-
	Discount	497,552	-
	Profession Tax	-	7,000
	Insurance	256,635	115,801
	Legal & Professional Fees	2,499,101	1,097,079
	Books & Periodicals Subscriptions and Membership	82,236	29,565
	Miscellaneous Expenses	1,443,513	310,774
	Packing Expenses	5,458	10,050
	Power & Fuel	800,975	953,547
	Postage & Courier Charges	79,248	38,511
	Printing & Stationery	456,073	229,459
	Rent	1,239,229	1,780,379
	Rates & Taxes	-	225,941
	Repairs and Maintenace Expenses	811,330	1,011,840
	Security services	42,585	159,775
	Indirect Taxes Paid	-	95
	Transportation charges	2,698,778	3,216,450
	Sitting Fees	235,000	110,000
	Travelling & Conveyance	5,446,043	8,398,168
	Share Issue Expenses W/off	1,763,536	642,603
		19,841,860	20,160,152
26.1	Payment to Auditor	31st March,2017	31st March, 2016
	Statutory Audit & Tax Audit	400,000	400,000
	Other Matters (Refer Note no 26.2)	-	100,000
		400,000	500,000
26.2	Represents Fees for services related to IPO are considered under Issue Expenses, which are amortised over the period of 5 years.		

NOTE 27:	EARNINGS PER SHARE		(other than No. of Shares & EPS)
	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.		
		31st Mar 2017	31st Mar 2016
	Particulars		
	Profit before Tax	8,750,792	9,592,980
	Less :		
	Provision for Tax & Deferred Tax	2,917,828	3,614,767
	Profit after tax	5,832,963	5,978,213
	Weighted Number of Shares	7,709,408	6,067,146
	Basic & Diluted EPS	0.76	0.99

PERFECT INFRAENGINEERS LIMITED

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

NOTE 28: RELATED PARTY DISCLOSURES

Related parties with whom transactions have taken place during the period

Key Management Personnel	Mr. Nimesh Natwarlal Mehta Mrs. Manisha Nimesh Mehta Mrs. Sharmila Ramchandra Singh (Upto 15th Sep 2016) Accurate Services, Propreitory Concern of Director Ramchandra Singh, Spouse of a Director Natwarlal Mehta, Father of Director Mrs. Sharmila Ramchandra Singh,Sister of Director (w.e.f. 15th Sep 2016) Ramchandra Singh, Spouse of a Sister of Director (w.e.f. 15th Sep 2016) Himar Fabrics & Packaging Pvt Ltd, Director is interested
Other Related Parties	
Subsidiary Company	Perfect Control Panels Pvt Ltd

Related Party Transactions :

Particulars	31st March,2017	31st March,2016
Key Management Personnel		
Remuneration to Directors	3,380,519	4,302,000
Sale to Proprietary Concern of Director	-	210,000
Purchase from Proprietary Concern of Director	-	184,096
Rent Paid	230,000	384,000
Purchase of Shares of subsidiary	5,000	
Loan received	2,508,037	-
Other Related Parties		
Purchase	25,000	
Rent Paid	218,000	480,000
Salary Paid	300,000	300,000
Subsidiary Company		
Subscription to shares	-	9,906,000
Reimbursement of expenses from	84,540	2,223,503
Reimbursement of expenses to	-	13,850
Fees Received	-	1,500,000
Rent Received	600,000	600,000
Purchase of Material	6,854,532	1,179,885
Advance received back	8,261,726	
Outstanding Balances		
Subsidiary		
Investment	10,006,000	10,000,000
Advance Given	-	8,261,726
Trade Payables	7,753,875	-
Key Management Personnel		
Trade receivables	-	321,054
Trade Payables	-	-
Remuneration Payable	135,919	172,242
Loan Payable	2,508,037	-

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

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

As at March 31, 2017, 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.

PERFECT INFRAENGINEERS LIMITED

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

NOTE 30: CONTINGENT LIABILITES & COMMITMENTS

Description	31st March,2017	31st March,2016
30.1 CONTINGENT LIABILITES		
Bank Guarantees	37,289,407	21,323,337
Disputed Sales Tax liabilities for which appeal is pending	14,630,229	187,881
(Amount deposited Rs.2,987,511 (204,478))		
30.2 COMMITMENTS		
Estimated amount of capital commitments not provided for (Net of Advances)	NIL	NIL
30.3 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT	1,315,253	-
30.4	The Sales tax Authorities have carried out survey/search in respect of the Company's operations In Maharashtra under MVAT Act,2005 on 5/4/2016. No specific demand is raised on the Company so far and also the Management is confident that no major liability will be payable by the Company in respect of the said search/survey. Meanwhile the Company has deposited Rs.20,00,000/- under protest.	

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

	31st March,2017	31st March,2016
Sale of Goods and Services	628,061	16,164,524
Travelling Expenses	140,500	-

NOTE 32: VALUE OF IMPORTS (on CIF Basis)

	31st March,2017	31st March,2016
Purchase of Goods	-	-

NOTE 33: Operating Leases

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

NOTE 34: Segment Reporting

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

NOTE 35: During the earlier year the Company came out with Initial Public Offering(IPO) in the month of October,2015 to fulfil the requirement of its long term working capital requirements and to invest money in its subsidiary and got listed first time on National Stock Exchange SME Exchange on 20th November, 2015. The total issue size of the IPO was Rs. 5,76,84,000/- and proceeds of the IPO were utilised as follows,

Particulars	
Part Finance of Long Term Capital Requirement	39,150,658
Investment in Subsidiary	9,706,000
Expenses of the Issue	8,827,342
Total	57,684,000

Out of the Said issue Proceeds Rs. 5,97,494/- were held in escrow account as on31.03.2016, which are utilised towards payment of outstanding issue expenses during the current year.

NOTE 37: PREVIOUS YEAR FIGURES

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

As per our Report of even date
For Godbole Bhave & Co.
Chartered Accountants
FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan
Partner
M. No. 100483
Place: Mumbai
Date: 26-May-2017

Nimesh Mehta
Chairman & Managing Director

Manisha Mehta
Director- Finance

Poonam Maurya
Company Secretary



PERFECT
INFRAENGINEERS LTD.

**CONSOLIDATED FINANCIAL
STATEMENT
F.Y. 2016 - 2017**

GODBOLE BHAVE & CO.

CHARTERED ACCOUNTANTS

M. V. BHAVE
B.com., B.G.L., F.C.A.
Partner

A. S. MAHAJAN
B.Com., F.C.A.
Partner

501, Kinara CHS Ltd., Mhatre Wadi Road, Dahisar (W), Mumbai - 400 068. Tel. : 28924523, 65126777

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERFECT INFRAENGINEERS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PERFECT INFRAENGINEERS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the



provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India and deemed to be specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes



evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and On the basis of the written representations received from the directors of the Subsidiary Company as on 31st March, 2017 taken on record by the Board of Directors of the Subsidiary Company, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a Director of that Company in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note No.30 to the consolidated financial statements;
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, incorporated in India.



iv. The Group has provided the requisite disclosures in the consolidated financial Statements as regards to its holdings and dealings in Specified Bank Notes as defined in the Notification S.O 3407(E) dated November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 and based on audit procedure performed and the representation provided by the Management we report that the disclosures are in accordance with the books of account maintained by the Group and as produced to us by the management (refer to Note No 18.1 of consolidated financial statements).

Place: Mumbai
Date: 26th May, 2017



For Godbole Bhawe & Co.
Chartered Accountants
FRN 114445W

Arvind Mahajan

Arvind Mahajan
Partner
Membership No. :100483

**ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON
THE CONSOLIDATED FINANCIAL STATEMENTS OF PERFECT INFRAENGINEERS
LIMITED**

Referred to in paragraph 1(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of **PERFECT INFRAENGINEERS LTD** on the consolidated financial statements for the year ended March 31, 2017.

**Report on the internal financial controls under clause (i) of sub-section 3 of
Section 143 of the companies act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Perfect Infraengineers Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company (the Holding Company and its subsidiary company together referred to as “the Group”), incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary company, incorporated in India, are 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.



Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Group's internal financial control system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Holding Company, its subsidiary company, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

Place: Mumbai
Date: 26th May, 2017



For Godbole Bhawe & Co.
Chartered Accountants
FRN 114445W

Arvind Mahajan

Arvind Mahajan
Partner
Membership No. : 100483

PERFECT INFRAENGINEERS LIMITED

Consolidated Balance Sheet as on 31st March,2017

Particulars	Note no.	As at 31st March,2017	As at 31st March,2016
I. EQUITY & LIABILITIES			
1 Shareholder's Funds			
(a) Share capital	2	77,094,080	77,094,080
(b) Reserves and surplus	3	56,320,389	50,320,672
Minority Interest		-	6,609
2 Non-current liabilities			
(a) Long-term borrowings	4	15,298,154	23,377,256
(b) Deferred tax liability (net)	5	3,064,283	2,582,734
(c) Other long - term liabilities	6	183,050	183,050
(d) Long-term provisions	7	2,417,069	3,316,991
3 Current liabilities			
(a) Short-term borrowings	8	95,137,132	64,797,576
(b) Trade payables	9	23,840,034	38,990,369
(c) Other current liabilities	10	30,300,911	45,608,616
(d) Short-term provisions	11	1,671,663	4,611,792
TOTAL		305,326,765	310,889,745
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	12	68,339,714	70,461,317
Intangible assets		418,385	959,924
(b) Non Current Investments	13	582,122	1,107,175
(c) Long-term loans and advances	14	2,524,746	6,592,511
(d) Other non-current assets	15	6,894,410	14,681,537
2 Current assets			
(a) Inventories	16	59,111,422	54,674,840
(b) Trade receivables	17	85,041,196	103,415,782
(c) Cash and bank balances	18	6,821,496	6,571,401
(d) Short-term loans and advances	19	19,914,598	15,961,513
(e) Other current assets	20	55,678,677	36,463,745
TOTAL		305,326,765	310,889,745

Significant Accounting Policies 1

Notes form an integral part of the financial statements 2 to 37

As per our Report of even date

For Godbole Bhawe & Co.

Chartered Accountants

FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan

Partner

M. No. 100483

Place: Mumbai

Date: 26-May-17

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Poonam Maurya

Company Secretary

PERFECT INFRAENGINEERS LIMITED
Consolidated Statement of Profit & Loss for year ended 31st March, 2017

	Particulars	Note No.	31st March,2017	31st March,2016
I.	Revenue from operations	21	163,634,740	177,125,465
II.	Other Income	22	2,430,503	8,379,138
III.	Total Revenue (I + II)		166,065,243	185,504,603
IV.	<u>Expenses:</u>			
	Cost of Materials/Services Consumed	23	77,569,171	90,187,742
	Employee benefits expense	24	32,784,506	40,637,401
	Finance costs	25	17,359,537	16,069,101
	Depreciation and amortization expense	12	7,729,298	6,988,412
	Other expenses	26	20,818,055	20,614,655
	Total Expenses		156,260,568	174,497,311
V.	Profit before tax (III- IV)		9,804,675	11,007,292
VI.	Tax Expense:			
	(1) Current tax		3,324,014	2,570,000
	(2) Deferred tax		481,549	903,387
	(3) Excess Provision of Previous Year			541,242
			3,805,563	4,014,629
VII.	Minority Interest		-	609
VII.	Profit (Loss) for the period (V-VI)		5,999,112	6,992,055
VIII.	Earnings per equity share:	27		
	Face value of Rs. 10 each			
	-Basic and Diluted		0.78	1.15

Significant Accounting Policies

1

Notes form an integral part of the financial statements

2 to 37

As per our Report of even date

For Godbole Bhawe & Co.

Chartered Accountants

FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan

Partner

M. No. 100483

Place: Mumbai

Date: 26-May-17

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Poonam Maurya

Company Secretary

PERFECT INFRAENGINEERS LIMITED
CONSOLIDATED CASHFLOW STATEMENT for the year ended 31st March,2017

	Amount	Amount
Particulars	FOR THE YEAR ENDED MARCH 31,2017	FOR THE YEAR ENDED MARCH 31,2016
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items:	9,804,675	11,007,292
Depreciation	7,729,298	6,988,412
Interest and Dividend Income	(646,445)	(475,235)
Profit on Sale of Investments	(214,682)	-
Provisions written back	1,391,144	1,337,892
Bad Debts w/off	-	480,454
(Profit)/Loss on sale of fixed assets	-	(4,518,577)
Provision for Gratuity	390,000	527,890
Interest on Borrowings	17,359,537	16,060,320
Share Issue Expenses & Other Miscellaneous Expenses W/off	1,817,446	53,910
Operating Profit before Working Capital changes	37,630,974	31,462,359
Adjustments for:		
Inventories	(4,436,582)	(41,838,300)
Trade Receivables	10,620,801	19,566,101
Loans and advances	8,376,406	(18,624,955)
Other non current assets and Current Assets	(12,647,757)	(16,365,297)
Trade payables	(7,396,550)	(3,143,605)
Other current liabilities and provisions	(31,158,034)	15,676,720
Cash generated from Operations	989,258	(13,266,977)
Direct taxes received / (paid)	1,839,866	(4,173,397)
Net Prior Year adjustments	NIL	NIL
Cash Flow from Operating Activities	2,829,125	(17,440,374)
Extraordinary items:		
Extraordinary item	-	-
Net Cash from Operating Activities: (A)	2,829,125	(17,440,374)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	(495,000)	-
Purchases of Fixed Assets \WIP\Capital Advance	(5,066,155)	(14,668,209)
Proceeds from Sale of Fixed Assets	-	5,000,000
Capital Subsidy received	-	-
Proceeds from Share issue	-	10,006,000
Proceeds from Sale of Share (Investments)	-	-
Purchase of investments -Gold coin	-	-
Purchase of investments on Conversion of CCD Application money	-	-
Conversion of CCD Application money to Equity Investment	-	-
Purchase of Investments -Shares	-	-
Realisation from Sale of investments - Subsidiaries *	(6,000)	(9,906,000)
Purchase of Investment	-	-
Sale proceeds from sale of shares	1,234,734	-
Interest and Dividend Income	646,445	475,235
Net cash generated from/(used in) investing activities (B)	(3,685,976)	(9,092,974)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Fresh Issue	-	59,892,000
Increase in Unsecured Lonas	-	-

PERFECT INFRAENGINEERS LIMITED
CONSOLIDATED CASHFLOW STATEMENT for the year ended 31st March,2017

Increase/Decrease in Loans from Bank (Net)	21,997,357	(6,766,930)
Due to Bank not considered	-	-
Interest /Finance Charegs paid	(16,438,212)	(16,087,759)
Dividend Paid / Dividend Distribution Tax Paid	(3,854,704)	(1,999,668)
Share issue Expenses	(597,494)	(7,487,142)
Fixed Deposit held with Bank as margin Money	(93,896)	(1,128,633)
Net cash received from/(used in) financing activities (C)	1,013,050	26,421,868
Net increase in cash and cash equivalents (A + B + C)	156,199	(111,480)
Cash and cash equivalents (Opening)	1,799,944	1,268,821
Cash and cash equivalents (Closing)	1,956,143	1,799,944
Cash and Cash equivalents as restated	1,956,143	1,799,944

(i) The above Cash Flow Statement has been prepared under the " Indirect Method" as set out in Accounting Standard-3 "Cash Flow
(ii) Previous year's figures have been regrouped/rearranged/recast wherever necessary to make them comparable with those of current

As per our Report of even date

For Godbole Bhawe & Co.

Chartered Accountants

FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan

Partner

M. No. 100483

Place: Mumbai

Date: 26-May-17

Nimesh Mehta

Director

Manisha Mehta

Director

Poonam Maurya

Company Secretary

1: SIGNIFICANT ACCOUNTING POLICIES

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

Sr No.	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership, Interest & Relationship	Financial year ended on
1.	Perfect Control Panels Pvt Ltd	India	Wholly Owned subsidiary of Perfect Infraengineers Limited	March 2017

1.2 Principles of Consolidation:

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

1.3 Basis for preparation of Consolidated Financial Statements:

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

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

1.4 Use of Estimate:

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

1.5 Revenue recognition:

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

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

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

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

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

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

1.7 Depreciation:

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

1.8 Impairment of Assets:

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

1.9 Investments:

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

1.10 Inventories:

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

1.11 Foreign currency transactions:

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

1.12 Employee Benefits:

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

1.13 Provision for Current and Deferred Tax:

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

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

1.14 Provisions, Contingent Liabilities and Contingent Assets :

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

1.15 Borrowing Cost:

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

1.16 Leases:

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

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

1.17 Provision for Doubtful Debts and Loans and Advances:

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

1.18 Earnings per share

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

1.19 Share Issue Expenses

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

1.19 Cash & Cash Equivalents

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

PERFECT INFRAENGINEERS LIMITED

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

NOTE 2:	SHARE CAPITAL	31st March,2017		31st March, 2016	
		Number	Amount (`)	Number	Amount (`)
2.1	<u>Authorised</u> Equity Shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
2.2	<u>Issued, Subscribed & Paid up</u> Shares at the beginning of the period Add: Issued during the year Add: Issued Bonus shares Shares at the end of the period	7,709,408 - - 7,709,408	77,094,080 - - 77,094,080	5,105,408 2,604,000 - 7,709,408	51,054,080 26,040,000 - 77,094,080
2.3	<u>Reconciliation of Number of Shares</u> Outstanding at Beginning of the period Add: Issued during the year for Cash Add: Issued as Bonus Shares Less: Shares Bought back during the period Outstanding at the end of the period	7,709,408 - - - 7,709,408		5,105,408 2,604,000 - - 7,709,408	
2.4	<u>Aggregate Number of bonus shares issued, issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</u> Equity Shares allotted as fully paid bonus shares by capitalization of security premium and free reserves		2,699,685		3,699,685
2.5	<u>Details of Shareholder holding more than 5% shares</u>				
	<u>Name of Shareholder</u>	<u>Number</u>	<u>% of Holding</u>	<u>Number</u>	<u>% of Holding</u>
	Mr. Nimesh Mehta	2,566,053	33.28%	2,566,053	33.28%
	Mrs. Manisha Mehta	2,433,832	31.34%	2,415,832	31.34%
	India Opportunities Fund	438,000	5.68%	438,000	5.68%

2.6 Terms /Rights attached to the Equity Shares

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

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

PERFECT INFRAENGINEERS LIMITED

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

Note 3:	RESERVES & SURPLUS	31st March,2017	31st March, 2016
3.1	General Reserve		
	Opening Balance	-	-
	Add: Current Year Transfer	-	-
	Less: Utilised for issue of Bonus Shares	-	-
	Closing Balance	-	-
3.2	Security Premium		
	Opening Balance	33,852,000	-
	Add: Addtion during current year	-	33,852,000
	Less: Utilised for issue of Bonus Shares	-	-
	Closing Balance	33,852,000	33,852,000
3.3	Statement of Profit & Loss		
	Opening Balance	16,469,277	14,102,037
	Add: Net Profit/(Net Loss) for the Period	5,999,112	6,992,054
		22,468,389	21,094,091
	Less: Transferred to General Reserve	-	-
	Less: Praposed Dividend	-	3,854,704
	Less :Provision for Dividend Distribution Tax	-	770,714
	Closing Balance	22,468,389	16,468,673
		56,320,389	50,320,673

PERFECT INFRAENGINEERS LIMITED

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

Note 4:	LONG TERM BORROWINGS	31st March,2017	31st March, 2016
	(Secured)		
	Term Loan		
	- From Banks		
	SIDBI (refer note 4.1 & 4.5)	3,890,000	7,216,000
	ICICI Bank (refer note 4.2 & 4.5)	6,351,364	14,748,220
	TJSB Bank (refer note 4.3 & 4.5)	2,500,757	
	- From Others		
	Mahindra and Mahindra Finance (refer note 4.4 & 4.5)	47,996	152,081
	(Unsecured)		
	- From Banks	-	-
	- From Others		
	Tata Capital Financial Services (refer note 4.5)	-	1,260,955
	Loan from Directors (refer note 4.6)	2,508,037	-
		15,298,154	23,377,256

- Term Loans from Banks & Financial Institutions are secured by way of :**
- 4.1** a) Term loan from SIDBI Rs. 44,35,000/- is secured by first charge on immovable property of the company located at Ghaziabad;
b) Term loan from SIDBI Rs. 90,00,000/- is secured by charge on all the movable assets (including Current Assets);
c) Directors of the Company have extended Personal Guarantee.
- 4.2** a) Term Loans from ICICI Bank Rs. 2,57,53,875/- is secured by Equitable Mortgage of Plot owned by Company at Rabale and first charge on all
b) Exclusive charge by way of Hypothecation over all movable assets, present and future;
c) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Bhiwandi,
d) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
e) Directors of the Company have extended a Personal Guarantee.
- 4.3** a) Term loan from TJSB Rs. 12,00,000/- is secured by charge on immovable properties of the company located at Kalamboli;
b) Term loan from TJSB Rs. 16,58,200/- is secured by charge on Machinery,Tools & Equipments;
c) Directors of the Company have extended Personal Guarantee.
- 4.4** a) Hypothecation of a Commercial vehicle.

4.5 Terms of Repayment

Nature of Facility and Rate of Interest	Mar 2018	Mar 2019	Mar 2020	Mar 2021
Loan from SIDBI @ 13%	882,000	882,000	588,000	-
Loan from SIDBI @ 16%	2,256,000	2,256,000	164,000	-
13.% Term Loan1 from TJSB	114,346	130,776	149,564	171,054
13.% Term Loan2 from TJSB	156,242	178,689	204,360	233,725
ICICI Bank - 8.35Lacs @ 12%	296,856	101,364	-	-
ICICI Bank - 250Lacs @ 12.75%	7,500,000	6,016,667	233,333	-
Loan from Mahindra & Mahindra @ 14%	104,085	47,996	-	-
Tata Capital Finance Services @ 17.19%	1,260,955	-	-	-
	Mar 2022	Mar 2023	Mar 2024	
13.% Term Loan1 from TJSB	195,628	223,736	164,958	
13.% Term Loan2 from TJSB	267,301	305,708	275,258	

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

PERFECT INFRAENGINEERS LIMITED

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

Note 5:	DEFERRED TAX LIABILITES (Net)	31st March,2017	31st March, 2016
5.1	Deferred Tax Liability (A) Depreciation/Adjustment	3,896,925	3,607,684
5.2	Deferred Tax Asset (B) On account of Disallowance U/s. 43 B	(832,643)	(1,024,950)
		3,064,283	2,582,734

Note 6:	OTHER LONG TERM LIABILITIES	31st March,2017	31st March, 2016
	Deposits from Customers	183,050	183,050
		183,050	183,050

Note 7:	LONG TERM PROVISIONS	31st March,2017	31st March, 2016
	Provision For Gratuity	2,417,069	3,316,991
		2,417,069	3,316,991

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

Note 8:	SHORT TERM BORROWINGS	31st March,2017	31st March, 2016
	(Secured)		
	Loans repayable on demand		
	ICICI Bank (refer note 8.1)	61,855,761	60,598,226
	TJSB ((refer note 8.2)	12,291,800	-
	The National Small Industries Corporation Ltd (refer note 8.3)	20,989,572	-
		95,137,132	60,598,226
	(Unsecured)		
	Loans repayable on demand		
	Axis Bank (refer note 8.4)	-	4,199,350
		-	4,199,350
		95,137,132	64,797,576

- 8.1 Cash Credit facility from ICICI Bank is secured by :
- a) Exclusive charge by way of Hypothecation over all movable assets, present and future;
 - b) Collateral Security by way of Equitable mortgage of Immovable Properties owned by the Company situated at Ghatkopar West, Bhiwandi, Thane West and Village Dasve and Equitable mortgage of Plot
 - c) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors;
 - d) Directors of the Company have extended a Personal Guarantee.
- 8.2 Cash Credit facility from TJSB Bank is secured by :
- a) Exclusive charge by way of Hypothecation over stock & book debts and collateral secuirty of residential properties at Kalamboli by way of equitable mortgage.
 - b) Directors of the Company have extended a Personal Guarantee.
- 8.3 The loan from National Small Industries Corporation Limited is secured by Bank Gurantee issued.
- 8.4 Mr. Nimesh Mehta and Mrs. Manisha Mehta, Directors of the Company have extended personal guarantee for Cash Credit facility from AXIS Bank.

PERFECT INFRAENGINEERS LIMITED

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

Note 9:	TRADE PAYABLES	31st March,2017	31st March, 2016
	Trade Payables-for Goods & Services (Including acceptances)	23,840,034	38,990,369
		23,840,034	38,990,369

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

Note 10:	OTHER CURRENT LIABILTIES	31st March,2017	31st March, 2016
	Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4)	12,570,484	13,628,274
	Due to Bank	794,698	-
	Interest Accrued and due	158,274	-
	Interest Accrued but not due	59,960	91,607
	Statutory Dues payable	4,860,337	1,067,861
	Advance from Customers	1,318,417	10,272,765
	Employee Benefit Expenses payable	3,171,974	3,422,777
	Due to Ex-employee	520,380	
	Unearned Revenue	1,888,068	1,716,910
	Book Overdraft	642,326	4,766,692
	Other payables	2,615,994	10,641,729
	Capital Creditors	1,700,000	-
		30,300,911	45,608,616

10.1 Due to bank represents overdue installment for part of February -17 and March -17 in full,sugsequently is paid in April-17.

10.2 Interest Accrued and due represents overdue interest payable for the month of March-17,subsequently paid in April-17.

10.3 Due to ex-employees includes unpaid gratuity of Rs. 520380 on hold.

PERFECT INFRAENGINEERS LIMITED

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

Note 11:	SHORT TERM PROVISIONS	31st March,2017	31st March, 2016
	Proposed Dividend	-	3,854,704
	Provision for Dividend Distribution Tax	-	-
	Provision for Gratuity	277,567	-
	Provision for Income Tax (Net of Advance Tax & TDS)	1,394,096	757,088
		1,671,663	4,611,792

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for year ended 31st March, 2016
Note: 12 TANGIBLE & INTANGIBLE ASSETS (LAST Year)

Name Of Asset	Gross Block As on 01.Apr.15	Addition During the Year	Deduction During the Year	Gross Block As On 31.Mär.16	Depreciation Upto 01.Apr.15	Depreciation For the Year	Transfer to Reserve	Depreciation Adjustment/ Deletion	Depreciation As On 31.Mär.16	Net Block As On 31.Mär.16	Net Block As On 31.Mär.15
<u>TANGIBLE ASSETS</u>											
<u>(a) Buildings</u>											
Office Buildings	9,597,560	-	873,100	8,724,460	1,832,220	367,335		391,677	1,807,878	6,916,582	7,765,340
Factory Building	35,867,700	-		35,867,700	2,744,616	3,146,693			5,891,309	29,976,391	33,123,084
Guest House	13,765,536	-	-	13,765,536	1,401,544	601,857		-	2,003,401	11,762,135	12,363,992
<u>(b) Plant & Equipments</u>											
Owned	897,254	29,235	-	926,489	421,769	94,665	-	-	516,434	410,055	475,485
Owned, Given on Hire	31,044,076	995,312	-	32,039,388	21,884,525	1,981,603	-	-	23,866,128	8,173,260	9,159,551
<u>(c) Furniture & Fixtures</u>	1,539,575	-		1,539,575	939,767	180,341	-	-	1,120,108	419,467	599,808
<u>(d) Vehicles</u>	2,588,002	1,261,099	-	3,849,101	1,958,067	362,632	-	-	2,320,699	1,528,402	629,935
<u>(e) Office Equipment</u>											
Office Equipment	334,889	57,855	-	392,744	298,127	22,885	-	-	321,012	71,732	36,762
Computer	1,757,691	472,076	-	2,229,767	1,688,780	187,588	-	-	1,876,368	353,399	68,911
<u>INTANGIBLE ASSETS</u>											
<u>(a) Software</u>	-	876,392	-	876,392	-	738	-	-	738	875,654	-
TOTAL	97,392,283	3,691,969	873,100	100,211,152	33,169,415	6,946,338	-	391,677	39,724,076	60,487,076	64,222,868
Previous year	61,930,378	36,976,274	1,514,369	97,392,283	26,571,995	7,038,708	338,227	779,515	33,169,415	64,222,868	35,358,383

Note: 12.1

In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the previous year carried out an exercise of identifying assets that many have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2016

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

Name Of Asset	Gross Block As on 01.Apr.16	Addition During the period	Deduction during the period	Gross Block As On 31.Mär.17	Depreciation Upto 01.Apr.16	Depreciation For the period	Transfer to Reserve	Depreciation Adjustment/ Deletion	Total Depreciation	Net Block As On 31.Mär.17	Net Block As On 31.Mär.16
<u>TANGIBLE ASSETS</u>											
<u>(a) Buildings</u>											
Office Buildings	8,724,460	-	-	8,724,460	1,807,878	335,717		-	2,143,595	6,580,865	6,916,582
Factory Building	35,867,700	-	-	35,867,700	5,891,309	2,839,976			8,731,285	27,136,415	29,976,391
Guest House	22,747,796	-	-	22,747,796	2,003,401	1,007,237		-	3,010,638	19,737,158	20,744,395
<u>(b) Plant & Equipments</u>											
Owned	2,776,049	123,714	-	2,899,763	558,509	415,846	-	-	974,355	1,925,408	2,217,540
Owned, Given on Hire	32,039,388	844,632	-	32,884,020	23,866,128	1,660,304	-	-	25,526,432	7,357,588	8,173,260
Demo-Equipment	-	1,249,850		1,249,850	-	-	-	-	-	1,249,850	-
<u>(c) Furniture & Fixtures</u>	1,599,725	2,622,140		4,221,865	1,120,108	140,874	-	-	1,260,982	2,960,883	479,617
<u>(d) Vehicles</u>	3,849,101	-	-	3,849,101	2,320,699	392,120	-	-	2,712,819	1,136,282	1,528,402
<u>(e) Office Equipment</u>											
Office Equipment	392,744	-	-	392,744	321,012	31,082	-	-	352,094	40,650	71,732
Computer	2,229,767	150,819	-	2,380,586	1,876,368	289,603	-	-	2,165,971	214,615	353,399
<u>INTANGIBLE ASSETS</u>											
<u>(a) Software</u>	960,662	75,000	-	1,035,662	738	616,539	-	-	617,277	418,385	959,924
TOTAL	111,187,392	5,066,155	0	116,253,547	39,766,150	7,729,298	-	0	47,495,448	68,758,099	71,421,242
Previous year	97,392,283	3,691,969	873,100	100,211,152	33,169,415	6,946,338	-	391,677	39,724,076	60,487,076	64,222,868

Note: 12.1

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

Note: 12.2

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

PERFECT INFRAENGINEERS LIMITED

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

Note 13:	NON CURRENT INVESTMENTS	31st March,2017	31st March, 2016
	Trade		
	Unquoted Investments		
	Investments in Equity Instruments	-	-
	Non Trade		
13.1	Quoted Investments		
	Investments in Equity Instruments		
	Hindustan Construction Company	-	520,048
	NIL (19236) shares of Rs. 10 Each fully paid up		
	Investments in Mutual Funds		
	Kotak Select Fund	20,000	20,000
	2,000 Units (2,000 Units) of Rs. 10 each		
	Total Quoted Investments	20,000	540,048
	Aggregate Market Value of Quoted Shares	57,484	421,350
13.2	Unquoted Investments		
	Investments in Equity Instruments		
	The Thane Janata Sahakari Bank Ltd	495,000	500,005
	9,900 (10,000) shares of Rs. 50 Each fully paid up		
	Investment in Government Securities		
	National Savings Certificate	20,000	20,000
	Total Unquoted Investments	515,000	520,005
13.3	Other Investment : Gold Coin	47,122	47,122
		582,122	1,107,175
13.4	For basis of valuation refer note no. 1.7 of Significant Accounting Policy		
Note 14:	LONG TERMS LOANS & ADVANCES	31st March,2017	31st March, 2016
	(Unsecured Considered Good)		
	Rent Deposit	1,141,902	1,096,222
	Deposit with Suppliers	755,858	1,156,404
	Other Deposits	626,986	4,339,885
		2,524,746	6,592,511
Note 15:	OTHER NON CURRENT ASSETS	31st March,2017	31st March, 2016
	(Unsecured Considered Good)		
	Retention with customers	365,385	8,016,464
	Miscellaneous Exp (to the extent not W/off)	6,529,025	6,665,073
		6,894,410	14,681,537
15.1	Miscellaneous Exp (to the extent not W/off) Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy		

PERFECT INFRAENGINEERS LIMITED

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

Note 16:	INVENTORIES	31st March,2017	31st March, 2016
	Stock of raw materials	24,677,299	30,221,795
	Stock of Spares and Components	28,215,573	19,470,288
	Others/WIP	6,218,550	4,982,757
		59,111,421	54,674,840
	For basis of valuation refer note no. 1.8 of Significant Accounting Policy		

Note 17:	TRADE RECEIVABLES	31st March,2017	31st March, 2016
	Trade Receivables		
	(Unsecured Considered Good)		
	Outstanding for a Period exceeding six months	28,325,563	36,873,161
	(From the due date of payment)		
	Others	56,715,652	66,542,621
		85,041,216	103,415,782

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

Note 18:	CASH & BANK BALANCES	31st March,2017	31st March, 2016
	Cash and cash equivalents		
	Cash on hand	614,953	650,462
	Balance with Banks		
	Balances with banks	1,088,391	1,149,117
	OTHER BANK BALANCES		
	- Margin Money for Bank Guarantees*	5,317,475	4,771,457
		7,020,819	6,571,036

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

18.1 Disclosure on Specified Bank Notes (SBNs)

HOLDING COMPANY

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8,2016 the denomination wise SBNs and other notes as per notification is given below:

(in Rs)			
Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	163000	49038	212038
(+) Permitted receipts	0	24030	24030
(-) Permitted payments	8000	224539	232539
(-) Amount deposited in Banks	155000	1063	156063
(-) Amount withdrawn from Banks	0	403052	403052
Closing cash in hand as on December 30, 2016	0	250518	250518

*For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

PERFECT INFRAENGINEERS LIMITED

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

SUBSIDIARY COMPANY

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8,2016 the denomination wise SBNs and other notes as per notification is given below:

(in Rs)			
Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	7500	18150.5	25650.5
(+) Permitted receipts	0	0	0
(-) Permitted payments	0	0	0
(-) Amount deposited in Banks	7500	0	7500
Closing cash in hand as on December 30, 2016	0	18150.5	18150.5

*For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Note 19:	SHORT TERM LOANS & ADVANCES	31st March,2017	31st March, 2016
	(Unsecured Considered Good)		
	Advance to Suppliers	7,572,296	4,777,977
	Advance to Employees	306,000	473,500
	Deposit_ Govt Authorities_pending Cases	3,032,511	5,202,036
	Other Advances & Deposits	7,994,881	5,508,000
		18,905,688	15,961,513

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

Note 20:	OTHER CURRENT ASSETS	31st March,2017	31st March, 2016
	(Unsecured Considered Good)		
	Retention with customers	8,482,548	-
	Accrued receivable (Refer Note No. 20.1)	42,301,081	32,832,704
	Prepaid expenses	590,218	503,644
	Balance with Revenue Authorities	944,386	333,581
	Accrued Interest on Bank Fixed Deposit/NSC	5,672	3,622
	Due from Ex-employees	57,385	-
	Other Receivable	3,297,388	1,054,886
	Miscellaneous Exp (to the extent not W/off)	-	1,735,308
		55,678,677	36,463,745

20.1 Accrued Receivables includes Rs. 75,45,704 towards certain non-moving projects and management is of opinion that theses will resume in short time and will be billed as per contractual terms

Note 21:	REVENUE FROM OPERATIONS	31st March,2017	31st March, 2016
	Sale of Electricals Panels	8,031,632	5,988,830
	Trading/ Installation & Commissioning of AC	134,493,872	146,440,355
	Renting of Air Conditioners	1,115,186	8,124,234
	Sale of Services	19,134,328	14,253,992
	Other operating income	859,722	2,318,055
		163,634,740	177,125,465

PERFECT INFRAENGINEERS LIMITED

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

Note 22:	OTHER INCOME	31st March,2017	31st March, 2016
	Interest Income from Bank Deposits	568,646	400,235
	Dividend Income	75,000	75,000
	Net gain on foreign currency transaction	-	410,862
	Profit on Sale of Fixed Asset	-	4,518,577
	Sundry provisions and credit balances no longer required, written back	1,301,744	1,337,892
	Profit/Loss on Sale of Shares	214,682	-
	Rent Income	-	-
	Other non-operating income	109,524	1,636,571
		2,269,595	8,379,138

Note 23:	COST OF MATERIALS / SERVICES CONSUMED	31st March,2017	31st March, 2016
	Opening Stock of Raw Material and WIP	48,227,943	12,836,540
	Purchases	73,993,993	119,207,587
	Machine Hire Charges	900,000	-
	Labour	3,235,598	2,280,778
	Site expenses	5,059,652	10,480,798
	Less: Closing Stock of Raw Material and WIP	51,935,722	54,674,840
	Total (A)	79,481,463	90,130,863
	B: OTHER MANUFACTURING AND OPERATING EXPENSES		
	Power & Fuel	(22,918)	15,319
	Factory Rent	(600,000)	-
	Factory Expenses	718,072	22,100
	Transportation charges	-	19,462
	Total (B)	95,154	56,881
	Total (A + B)	79,576,617	90,187,743

Note 24:	EMPLOYEE BENEFIT EXPENSES	31st March,2017	31st March, 2016
	Salaries, wages and bonus	26,614,893	38,668,456
	Contribution to provident and other funds	5,779,613	1,056,402
	Staff Welfare Expenses	-	384,643
	Gratuity	390,000	527,890
		32,784,506	40,637,391

Note 25:	FINANCE EXPENSES	31st March,2017	31st March, 2016
	Interest paid to Banks	13,374,079	13,747,209
	Interest Paid to Others	1,973,539	189,114
	Other Borrowing Costs	2,011,919	2,132,698
		17,359,537	16,069,021

PERFECT INFRAENGINEERS LIMITED

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

Note 26:	OTHER EXPENSES	31st March,2017	31st March, 2016
	Auditor's Remuneration (Refer Note 26.1)	400,000	450,000
	Advertising and Sales Promotion	-	65,111
	Bad Debts	-	480,454
	Communication Costs	717,068	934,392
	Business Promotion expenses	367,500	-
	Office Expenses	4,712	7,540
	Discount	497,552	26,719
	Profession Tax	-	7,000
	Insurance	282,220	115,801
	Legal & Professional Fees	2,506,722	1,211,666
	Books & Periodicals Subscriptions and Membership	82,236	29,565
	Miscellaneous Expenses	578,204	347,279
	Packing Expenses	26,988	10,050
	Power & Fuel	859,930	953,547
	Postage & Courier Charges	79,248	38,511
	Printing & Stationery	474,907	229,459
	Rent	1,239,229	1,780,379
	Rates & Taxes	-	225,941
	Repairs and Maintenance Expenses	814,455	1,017,840
	Security services	195,160	184,000
	Indirect Taxes Paid	7,010	29,928
	Transportation charges	2,698,778	3,216,450
	Sitting Fees	235,000	110,000
	Travelling & Conveyance	5,446,043	8446509
	Registration fees	46,900	-
	Misc. Expenses W/off	917,240	7,010
	Deferred Expenses W/off	-	46,900
	Share Issue Expenses W/off	2,659,633	642,603
		21,136,734	20,614,655
26.1	Payment to Auditor	31st March,2017	31st March, 2016
	Statutory Audit & Tax Audit	450,000	450,000
	Other Matters (Refer Note no 26.2)	-	100,000
		450,000	550,000
26.2	Represents Fees for services related to IPO are considered under Issue Expenses, which are amortised over the period of 5 years.		

NOTE 27:	EARNINGS PER SHARE		(other than No. of Shares & EPS)
	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.		
		31st Mar 2017	31st Mar 2016
	Particulars		
	Profit before Tax	9,804,675	11,007,292
	Less :		
	Provision for Tax & Deferred Tax	3,805,563	4,014,629
	Minority Interest	-	609
	Profit after tax	5,999,112	6,992,054
	Weighted Number of Shares	7,709,408	6,067,146
	Basic & Diluted EPS	0.78	1.15

PERFECT INFRAENGINEERS LIMITED

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

NOTE 28: RELATED PARTY DISCLOSURES

Related parties with whom transactions have taken place during the period

Key Management Personnel

Mr. Nimesh Natwarlal Mehta
Mrs. Manisha Nimesh Mehta
Mrs. Sharmila Ramchandra Singh (Upto 15th Sep 2016)
Accurate Services, Propreitory Concern of Director
Ramchandra Singh, Spouse of a Director
Natwarlal Mehta, Father of Director
Mrs. Sharmila Ramchandra Singh,Sister of Director (w.e.f. 15th Sep 2016)
Ramchandra Singh, Spouse of a Sister of Director (w.e.f. 15th Sep 2016)
Himar Fabrics & Packaging Pvt Ltd, Director is interested

Other Related Parties

Related Party Transactions :

Particulars	31st March,2017	31st March,2016
Key Management Personnel		
Remuneration to Directors	4,302,000	4,302,000
Sale to Proprietary Concern of Director	-	210,000
Purchase from Proprietary Concern of Director	-	184,096
Rent Paid	230,000	384,000
Loan received	2,258,037	-
Other Related Parties		
Purchase	25,000	
Rent Paid	218,000	480,000
Salary Paid	300,000	300,000
Outstanding Balances		
Key Management Personnel		
Trade receivables	321,054	321,054
Trdae Payables	-	-
Remuneration Payable	172,242	172,242
Loan Payable	2,258,037	-

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

Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.
As at March 31, 2017, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company.

NOTE 30: CONTINGENT LIABILITES & COMMITMENTS

Description	31st March,2017	31st March,2016
30.1 CONTINGENT LIABILITES		
Bank Guarantees	37,289,407	21,323,337
Disputed Sales Tax liabilities for which appeal is pending (Amount deposited Rs.2,987,511 (204,478))	14,630,229	187,881
30.2 COMMITMENTS	-	-
Estimated amount of capital commitments not provided for (Net of Advances)		
30.3 CLAIMS AGST COMPANY NOT ACKNOWLEDGED AS DEBT	1,315,253	-

30.3 The Sale tax Authorities have carried out survey/search in respect of the Company's operations In Maharashtra under MVAT Act,2005 on 5/4/2016. No specific demand is raised on the Company so far and also the Management is confident that no major liability will be payable by the Company in respect of the said search/survey. Meanwhile the Company has deposited Rs.20,00,000/- under protest.

PERFECT INFRAENGINEERS LIMITED

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

NOTE 31:	EARNINGS & EXPENDITURE IN FOREIGN CURRENCY (on ACCRUAL BASIS):	31st March,2017	31st March,2016
	Sale of Goods and Services	628,061	16,164,524
	Travelling Expenses	140,500	-
NOTE 32:	VALUE OF IMPORTS (on CIF Basis)	31st March,2017	31st March,2016
	Purchase of Goods	-	-

NOTE 33: Operating Leases

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

NOTE 34: Segment Reporting

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

NOTE 35:

During the earlier year the Company came out with Initial Public Offering(IPO) in the month of October,2015 to fulfil the requirement of its long term working capital requirements and to invest money in its subsidiary and got listed first time on National Stock Exchange SME Exchange on 20th November, 2015. The total issue size of the IPO was Rs. 5,76,84,000/- and proceeds of the IPO were utilised as follows,

Particulars	
Part Finance of Long Term Capital Requirement	39,150,658
Investment in Subsidiary	9,706,000
Expenses of the Issue	8,827,342
Total	57,684,000

Out of the Said issue Proceeds Rs. 5,97,494/- were held in escrow account as on31.03.2016, which are utilised towards payment of outstanding issue expenses during the current year.

NOTE 36: PREVIOUS YEAR FIGURES

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

As per our Report of even date	For and on behalf of the Board of Directors
For Godbole Bhave & Co.	
Chartered Accountants	
FRN : 114445W	
	Nimesh Mehta
	Chairman & Managing Director
	Manisha Mehta
	Director- Finance
Arvind S. Mahajan	
Partner	
M. No. 100483	
Place: Mumbai	Poonam Maurya
Date: 26-May-17	Company Secretary