

PERFECT

INFRAENGINEERS LIMITED

Annual
Report
20¹⁵₁₆

QUALITY



SERVICE



SAFETY



CORPORATE INFORMATION

Chairman and Managing Director	Mr. Nimesh Mehta	Registered office	R 637 TTC Industrial Area, MIDC Rabale, Navi Mumbai -400701.
Wholetime Director and Chief Financial Officer	Mrs. Manisha Mehta	Corporate Office	168, Bhanusali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009
Directors	Mrs. Sharmila Singh Mr. Pradeep Bhav Mr. Vinay Deshmukh Mr. Vipul Vora *Mr. Hiren Mehta	Eastern Suburb	C/303, Kailash Esplanade, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086
Audit Committee	Mr. Pradeep Bhav Mr. Vinay Deshmukh Mrs. Manisha Mehta	Ghaziabad	G-12, Plot No 1, EDM Complex, Kaushambhi, Ghaziabad - 201010.
Nomination and Remuneration Committee	Mr. Pradeep Bhav Mr. Vinay Deshmukh Mr. Vipul Vora *Mr. Hiren Mehta	Hyderabad	2/A/242, Road No.18, Opp. Jubilee Hills Police Station, Jubilee Hills, Hyderabad - 500 033.
Stakeholder Relationship Committee	Mr. Pradeep Bhav Mr. Nimesh Mehta Mrs. Manisha Mehta	Internal Auditors	M/s Diveyesh Shah & Associates Chartered Accountant , Mumbai
Auditors	M/s Godbole and Bhav & Associates, Chartered Accountant, Mumbai		
Registrar and Transfer Agents	Karvy Computer share Private Limited, Karvy selenium Tower B, Plot Number 31 & 32 , Financial District, Gachibowli, Hyderabad – 500 032		

***Mr. Hiren Mehta resigned w.e.f 6th July, 2015**

NOTICE

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF PERFECT INFRAENGINEERS LIMITED WILL BE HELD ON 15TH SEPTEMBER 2016 AT 10.30 AM. AT THE HOTEL TIP TOP PLAZA DAFFODIL HALL 3RD FLOOR NEAR CHECK NAKA L.B.S MARG OPPOSITE TO RAHEJA GARDEN THANE (W) 400602.

TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements for the year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March 2016 and the profit & loss Accounts for the year ended 31st March 2016 together with the Reports of the Board of Directors and the Auditor's thereon.
2. Mrs. Sharmila Singh (DIN: 02355992), Whole-time Director who retires by rotation and being eligible offers herself for re-appointment.
3. To consider interim dividend as final dividend.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, subject to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Godbole Bhawe & Co., Chartered Accountants, Mumbai (Firm Registration Number 114445W) be and is hereby re-appointed as Statutory Auditors to hold such office from the conclusion of this twentieth Annual General Meeting until the conclusion of Twenty first Annual General Meeting on such remuneration as may be mutually decided and agreed between the Managing Director of the Company and Auditors of the Company."

By Order of the Board of Directors
PERFECT INFRAENGINEERS LIMITED

Mr. Nimesh Mehta
(DIN: 00247264)
CHAIRMAN & MANAGING DIRECTOR

Date: 23rd July, 2016

Corporate Identification Number (CIN): L29190MH1996PLC099583

Registered Office:

R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai - 400701

Note: -

1. A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
2. Proxies, to be effective, must be received by the Company not less than 48 hours before the meeting.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/ demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Interim dividend is final.
9. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Karvy Computershare Private Limited or the Secretarial Department of the Company immediately.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 40 SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provided the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. A separate e-voting instructions slip will be sent, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. The Company has appointed Ms. Prajakta V Padhye, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

The following statement sets out all material facts relating to certain Ordinary Business mentioned in the accompanying Notice:

Item No.4

M/s. Godbole Bhawe & Co., Chartered Accountants (Firm Registration Number 114445W), were appointed as the statutory auditors of the Company for the financial year 2015-16 at the Annual General Meeting held on September 21, 2015. M/s. Godbole Bhawe & Co., is proposed to be re-appointed for one year as statutory auditors for financial year 2016-17.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 4. The Board recommends the resolution at Item No. 4 for approval of the members

By Order of the Board of Directors
PERFECT INFRAENGINEERS LIMITED

Mr. Nimesh Mehta
(DIN: 00247264)
CHAIRMAN & MANAGING DIRECTOR

Date: 23rd July, 2016

Corporate Identification Number (CIN): L29190MH1996PLC099583

Registered Office:

R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai - 400701

DIRECTORS' REPORT

Dear Members

Your Directors take pleasure in presenting the 20th Annual Report together with the audited financial statements for the financial year ended 31 March 2016. 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,2016	31st March,2015	31st March,2016	31st March,2015
Amount in Rs.				
Revenue from operations	172,636,635	254,403,175	177,125,465	254,403,175
Other Income	8,776,988	7,962,606	8,379,138	7,962,606
Total Revenue	181,413,623	262,365,781	185,504,603	262,365,781
<u>Expenses:</u>				
Cost of Materials/Services Consumed	90,567,067	157,233,959	90,787,742	157,233,959
Employee benefits expense	38,161,955	44,453,235	40,637,401	44,453,235
Finance costs	15,985,132	13,913,289	16,069,101	13,913,289
Depreciation and amortization expense	6,946,337	6,890,152	6,988,412	6,890,152
Other expenses	20,160,152	23,020,483	20,014,655	23,020,483
Total Expenses	171,820,643	245,511,119	174,497,311	245,511,119
Profit before tax	9,592,980	16,854,662	11,007,292	16,854,662
Current tax	2,200,000	4,225,000	2,570,000	4,225,000
Deferred tax	873,525	444,510	903,387	444,510
Excess Provision of Previous Year	541,242	(2,167.49)	541,242	(2,167.49)
Total Tax Expense	3,614,767	4,667,343	4,014,629	4,667,343
Minority Interest			609	
Profit (Loss) for the period	5,978,213	12,187,319	6,992,055	12,187,319
Earnings per equity share (FV Rs10):				
Basic and Diluted	0.99	2.39	1.15	2.39

P&L A/c Opening Balance	14,102,036	11,932,647	14,102,036	11,932,647
Add: Net Profit/(Loss) for the Period	59,78,213	12,187,320	5,921,594	12,187,320
Transfer to General Reserve	-	-	-	-
Less: Depreciation Adjustment	-	338,227	-	338,227
Less: Issue of Bonus Shares	-	8,450,750	-	8,450,750
Less: Interim Dividend Paid	3,854,704	1,021,082	3,854,704	1,021,082
Less : Dividend Distribution Tax Paid	770,714	207,872	770,714	207,872
P&L A/c Closing Balance	15,454,831	14,102,036	15,398,212	14,102,036

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

During the financial year under review, on a standalone basis, the Company recorded revenue of Rs.18.14 cr as against Rs.26.24 cr in the previous year. Net profit for the year stood at Rs 60 lakh as compared to Rs 122 lakh in the previous year. On a consolidated basis, the company's revenue was at Rs 18.55 cr as against Rs 26.24 cr in the previous year and net profit amounted to Rs 70 lakh as compared to Rs 122 lakh in the previous year.

The company's performance was largely affected due to factors beyond the control of the management. As you are aware fiscal 2016 was a very trying period for business and economy across the globe. On account of economic slowdown, many a client faced cash crunch during the year resulting in poor recoveries which forced your company to defer completion of significant number of projects, though the company's order book position remained healthy. Also, your company consciously avoided real estate projects in view of the slow payment process prevailed in the market. These temporary setbacks dragged the company's top line considerably.

Whereas the volume of business got shrunk by the external factors, the company's interest burden increased by 15% as the company augmented inventories in view of large orders in hand. Further, opportunity of bulk imports from foreign suppliers was spotted where the company could get competitive price. However due to slow execution of some projects, inventories could not be utilized thus disproportionately increasing finance costs.

During the year, the company made an investment of Rs 1cr in the wholly owned subsidiary, Perfect Control Panels Private Ltd, from the issue proceeds. The subsidiary has started manufacturing electric control panels that complement the company's MEP contracting business. The subsidiary plans to market the panels across the country and has already executed a standalone government order for which it has applied for CPRI certification.

DIVIDEND

The Board of Directors recommended an interim dividend of 50 paise per share (5%) at their meeting held on March 19, 2016. The Board fixed April 4, 2016, as 'Record Date' for determining the entitlement of the shareholders for the dividend and accordingly the dividend was paid. Even though the IPO investors came into the company's fold only in November 2015, they have been provided full dividend. The Board of Directors do not recommend any final dividend.

SHARE CAPITAL

During the year under review the company issued 26,04,000 equity shares of Rs.10 each at a premium of Rs.13 per share. This has enlarged the paid up capital of the company from Rs.51,054,080 to Rs.77,094,080. The movement of share capital has been annexed as "Annexure 1"

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provision of Section 149 and Section 161 of the Companies Act 2013 and Companies (Appointment and Qualification of Director) Rules 2014 Mr. Vinay Deshmukh Appointed as Additional Independent Director w.e.f. 10th April, 2015 and his appointment regularized at members meeting at 21st September 2015.

Pursuant to the provision of Section 149 and Section 161 of the Companies Act 2013 and Companies (Appointment and Qualification of Director) Rules 2014 Mr. Vipul Vora Appointed as Additional Independent Director w.e.f. 10th July 2015 and his appointment regularized members meeting at 21st September 2015.

Pursuant to the provision of Section 168 of Companies Act 2013 and Companies (Appointment and Qualification of Director) Rules 2014 Mr. Hiren Mehta (Additional Independent Director) resigned w.e.f 6th July 2015.

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 Mrs. Sudha Balaji Company Secretary resigned w.e.f 12th August 2015 and Mr. Vijay Mulwani appointed as Company Secretary and he resigned w.e.f 15th April 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 Ms. Neeharika Shukla as Company Secretary of the Company with effect from 21st April 2016.

Pursuant to the provisions of Section 152 of Companies Act 2013, Mrs. Sharmila Singh, director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for the re-appointment. The Board recommends her re-appointment.

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'). As required under the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, brief profile and other details of Directors being appointed /re-appointed are provided in the Notice of Annual General Meeting.

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, 2016, 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, 2016 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, 2016 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, 2016 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, 13 Board Meetings were held viz on 10th April, 2015, 23rd May, 2015, 11th June 2015 21st July, 2015 17th August 2015, 22nd September 2015, 7th October 2015, 19th October, 2015 14th November 2015, 25th November 2015, 30th January 2016, 5th March 2016 and 19th March 2016, the details of which are given in the annexure to Board Report.

STATUTORY AUDITORS

At the Annual General Meeting of the Company held on 21st September, 2015, M/s. Godbole Bhawe and Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of 3 years to hold office subject to ratification by the members at each Annual General Meeting. The Audit Committee and the Board of Directors of the Company have recommended to the members of the Company, ratification of appointment of M/s. Godbole Bhawe and Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 21st Annual General Meeting of the Company. The Company has received a letter from M/s. Godbole Bhawe and Co., confirming that they are eligible for ratification of their appointment.

AUDITORS' REPORT

The Auditors' Report on standalone and consolidated financial statements forms part of the Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks, disclaimer or emphasis of matter except calculation of gratuity on arithmetical basis which should be done on actuarial basis but it is not affecting Company's profit materially. The observation does not have any material impact on Company's profitability. The Company has thereafter referred to Actuary who commented that the provision done on arithmetical basis was more than what was necessary as per actuarial calculation. 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).

INTERNAL AUDIT

M/s. Diveyesh Shah & Co., Chartered Accountants are Internal Auditors of the Company for Financial Year 2016-17 to 2018-19.

CONSOLIDATED FINANCIAL STATEMENTS & SUBSIDIARIES

In accordance with the provisions of Companies Act, 2013 ("the Act"), SEBI (LODR) Regulations, 2015 and Accounting Standard (AS) - 21 on Consolidated Financial Statements, the audited Corporate Overview Management Reports Financial Statements consolidated financial statements form part of the Annual Report. In view of this, the Balance Sheet, Statement of Profit and Loss and other related documents of the subsidiaries are attached in this Annual Report. A copy of Audited Financial Statements of the Subsidiary shall be made available for inspection at the Registered Office of the Company during business hours. Any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiary shall make specific request in writing to the Company Secretary. The Audited Financial Statements of the subsidiaries are also available on the website www.perfectinfra.com of the Company. As on 31st March, 2016, 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 2"** 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 3"** to this Report. Secretarial Audit Report Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed of Prajakta V.Padhye & Co., Practicing Company Secretary to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report issued by him is annexed as **"Annexure 4"** to this Report.

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 5"** 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 6"** 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, 2016, 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 7"** 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 up to 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.

UTILISATION OF ISSUE PROCEEDS

The Company had come with IPO FOR 2508,000 shares of a face value of Rs.10 each at premium of Rs. 13. Company has received Rs. 576.84 lacs (Rs. 10 + Rs. 13) per share utilization of issue proceed has been annexed in "**Annexure 8**" to this Report.

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 2015-16 and the date of this report.

ACKNOWLEDGEMENTS

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

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.

Annexures to Director's Report

Annexure 1

CAPITAL STUCTURE MOVEMENT IN FINANCIAL YEAR 2015-16

Date	No. of Shares	Nature of Issue	Cumulative paid up Capital
1.April.2015	51,05,408	-	-
22.September.2015	96,000	Pre IPO Allotment	5,20,14,080
20.November.2015	25,08,000	Public Issue	7,70,94,080

Annexure 2

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	20-February 2015 to March 31-2016
4	Share capital	Rs. 1,00,06,000
5	Reserves & surplus	Rs.10,14,450
6	Total assets	Rs.2,52,22,289
7	Total Liabilities	Rs1,42,01,839
8	Investments	0
9	Turnover	Rs.80,64,054
10	Profit before taxation	Rs.14,14,312
11	Provision for taxation	Rs.3,99,862
12	Profit after taxation	Rs.10,14,450
13	Proposed Dividend	0
14	% of shareholding	99.94%

Annexure 3**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

[illegible]

j) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
k) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
l) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	Nil	4981885	4981885	97.58	4987885	47287	5035172	65.31	-32.27
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholdin g of Promoter (A) = (A)(1)+(A)(2)	Nil	4981885	4981885	97.58	4987885	47287	5035172	65.31	-32.27
B. Public Shareholding									
Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	72000	Nil	72000	0.93	0.93
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	Nil	Nil	Nil	Nil	624000	Nil	624000	8.09	8.09
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):-	Nil	Nil	Nil	Nil	696000	Nil	696000	9.03	9.03
2. Non-Institutions									
a) Bodies Corp									
i) Indian	Nil	7,783	7,783	0.15	438000	7783	445783	5.78	5.78
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Individuals	Nil	115740	115740	2.27	1465556	66897	1532453	19.88	19.88
i) Individual shareholders holding nominal	Nil	7787	7787	0.15	1063556	6231	1069787	13.88	13.88

share capital upto Rs. 2 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	Nil	107953	107953	2.12	402000	60666	462666	6	6
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	123523	123523	2.42	1903556	74680	1978236	25.66	25.66
Total Public Shareholding (B) = (B)(1) + (B)(2)					2599556	74680	2674236	34.69	34.69
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Grand Total (A+B+C)	Nil	51,05,408	51,05,408	100	7587441	121967	7709408		

(ii) 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	Mr. Nimesh Mehta	2566053	50.26%	Nil	33.28
2	Mrs. Manisha Mehta	2415832	47.32%	Nil	31.34
3	SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNIT	Nil	Nil	438000	5.68
4	KEYNOTE CAPITALS LTD	Nil	Nil	342000	4.44
5	VIPUL RAMESHCHANDRA SHAH	Nil	Nil	132000	1.71
6	ALPESH ANANTRAI DOSHI	Nil	Nil	108000	1.40
7	RAJASTHAN TRUSTEE COMPANY PVT LTD A/C SME TECH FUN	Nil	Nil	84000	1.09
8	ECAP EQUITIES LIMITED	Nil	Nil	84000	1.09
9	VINOD LODHA	Nil	Nil	78000	1.01
10	UNION BANK OF INDIA	Nil	Nil	72000	0.93

(iii) 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	47.32%	Nil	31.34

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	957.80	127.90	-	1,085.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	1.19	-	-	1.19
Total (i + ii + iii)	958.99	127.90	-	1,086.89
Change in Indebtedness during the financial year				
- Addition	77.78	-	-	77.78
- Reduction	110.78	34.94	-	145.72
Net Change	(33.00)	(34.94)	-	(67.94)
Indebtedness at the end of the financial year				
i) Principal Amount	925.07	92.96	-	1,018.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.92	-	-	0.92
Total (i + ii + iii)	925.99	92.96	-	1,018.95

VI. Remuneration of Directors and Key Managerial Personal

a. Remuneration to MD /WTD

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Nimesh Mehta	Mrs. Manisha Mehta	
1	Gross salary	16,02,000	13,50,000	29,52,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	0	0	0

b. 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	50,000	10,000	50,000	1,10,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	50,000	10,000	50,000	
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	0	0	0	0

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		Company Secretary			CFO	Total
		Mrs. Sudha Balaji *	Mr. Vijay Mulwani*	Ms. Neeharika Shukla*	Mrs. Manisha Mehta	
1	Gross salary	6,00,000	289642	3,00,000	13,50,000	25,39,642
	(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	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission			0		
	- as % of profit	0	0	0	0	0
	- others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total	6,00,000	289642	3,00,000	13,50,000	25,39,642

*Mrs. Sudha Balaji resigned w.e.f. 12th August 2015

*Mr. Vijay Mulwani resigned w.e.f. 15th April 2016

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2016.

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 2016 (01-04-2015 to 31-03-2016)

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, 2016 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, 2016 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;

(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 borrowings and investment powers exercised by the Board.
- 3) No meeting of Independent Directors was held during the period.
- 4) The Company declared interim dividend on 19th March, 2016. The separate bank account for the same was opened on 29th April, 2016 and the dividend was paid on 2nd May, 2016.
- 5) 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.
- 6) 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.
- 7) The Company has not made submissions with respect to utilization of IPO Proceeds as required under Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 8) The website of the Company is not updated as required under Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 9) The Company has not appointed internal auditor as required under Section 138 of Companies Act, 2013.

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 is 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 undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as under

- (i). The Company was come with IPO in 2015-16 and listed on 20th Novemener,2016 on NSE Emerge, SME platform of NSE.

For Prajakta V.Padhye & Co,
Practicing Company Secretaries

Prajakta V.Padhye
Proprietor

Place: Dombivli
FCS: 7478

Date: 20th August, 2016

COP: 7891

FORM AOC -2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and

Rule (2) of Companies (Accounts) Rules, 2014

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

- a) There were no contracts or arrangements entered into by the Company with the related parties during the Financial Year 2015-16, which were not at arm's length:
- b) The details of material contracts or arrangements or transactions at arm's length basis during the Financial

S.no	Particular	Amount
A	Key Management Personnel	
1	Sale to Proprietary Concern of Director	2,10,000
2	Purchase from Proprietary Concern of Director	1,84,096
3	Rent Paid	3,84,000
B	Other Related Parties	
1	Rent Paid	4,80,000
2	Salary Paid	3,00,000
C	Subsidiary Company	
1	Fees Received	15,00,000
2	Rent Received	6,00,000
3	Purchase of Material	11,79,885

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

- Ensuring optimum utilisation 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	2015-16	2014-15
Raw Materials and Traded goods	Nil	62,86,800
Capital Goods	Nil	Nil

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

Earnings in foreign currency	2015-16	2014-15
Exports – Products	1,24,82,685	2,72,46,871
Exports – Services	36,81,839	-

d) Net Gain or Loss on Foreign Currency Translation

Description	2015-16	2014-15
Profit on Foreign Currency Translation	4,10,862	72,484

Annexure 7

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

- i. The details of remuneration of each Director and KMP during the Financial Year 2014-15 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 2015-16 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 110 lakh.
- iii. There was no increase in the median remuneration of employees in the Financial Year.
- iv. There were 152 permanent employees on the rolls of the Company as on 31st March, 2016.
- v. Relationship between average increase in remuneration and company performance: Profit before tax decreased by 43.08 % in the Financial Year 2015-16, 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 2015 and as on 31st March 2016.
- vii. Variations in the market Capitalisation: The market capitalisation as at 31st March 2016 is 12.52cr (₹ 5.10 cr at 31st March, 2015)
- viii. Price earnings ratio of the Company was 16.25 as at 31st March, 2016. 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, 2015 was Rs16.25, which was lower by 29.34% than the IPO Price of 23.
- x. Salaries of employees are stable whereas remuneration of Managing Director Wholetime Directors increased by 68.15%.
- 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.

Note on Utilisation of Proceeds collected from Initial Public Offer (IPO)

The Company got listed on NSE "SME Emerge Platform" on 20th November 2015. The following are the objects for which the Initial Public Offer (IPO) was made and the proceedings collected through such IPO were utilised accordingly.

OBJECTS OF THE ISSUE

The objects of the Issue is to raise resources to :-

- Part finance long term working capital requirement
- Invest in subsidiary
- Meet the expenses of the Issue

The amount collected from IPO proceeds was Rs. 576.84 lacs (Rs. 10 + Rs. 13) per share

- 1) **Long Term working capital** : The Company has utilized the appropriate amount collected from IPO proceeds to meet the working capital requirement
- 2) **Investment in Subsidiary** : The Company has invested Rs. 264,000/- (26400 Equity shares of Rs. 10/- each) by way of subscribing to Equity share of its subsidiary i.e. M/s. Perfect Control Panels Pvt. Ltd before the IPO and out the IPO proceeds the amount of investment made in its subsidiary by way of subscribing in Equity Shares is Rs. 97,06,000/- (970,600 equity share of Rs. 10 each)
- 3) **Expenses to the Issue**: The Issue related expenses consists of fees payable to the Lead Managers, Legal Counsel, Auditors, processing fee to the SCSBs, Escrow Bankers and Registrars to the issue, printing and stationary expenses, advertising and marketing expenses underwriting fee, selling commission and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange.

List of Expenses incurred in Detail: -

Sr.No.	Particulars	Amount (In Rs.)
1	ROC Charges	590,200
2	Industry Research Advisory Fees	250,000
3	Mindspright Legal fees	500,000
4	Auditors Fees	400,000
5	NSDL and CDSL Fees	187,092
6	Website Designing	55,000
7	Printing & Stationary	45,000
8	Keynote Corporate services Limited Fees	36,67,791
9	Western India Regional Council of ICAI	3,00,000
10	NSE Charges	1,20,800
11	Concept Communication Ltd Fees	1,18,250
12	SIDBI	11,34,999
13	Indian Overseas Bank	1,12,470
14	Advertisement & Subscription	4,35,840
15	Western Press Pvt.Ltd	1,80,000
16	Brokerage	5,79,900
17	Professional fees of MNK & Co	1,50,000
	TOTAL	88,27,342

Issue Expenses as per Prospectus :-

Activity	Estimated Expenses (In Rs.)
Fees to intermediaries (including lead management fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses	60,50,000
Advertising and marketing expenses	3,00,000
Printing and Stationary & Distribution	3,00,000
Statutory and other miscellaneous expenses	11,62,000
Total Estimated Issue expenses	78.12

Comparative Chart

Activity	Estimated Expense (In Rs.)	Actual (In Rs.)	Difference (In Rs.)
Fees to Intermediaries including lead management fees, underwriting commission, Auditors remuneration, Legal and consultancy fee, brokerage and selling commission	60,50,000	67,95,160	-7,45,160 **
Advertising and marketing expenses	3,00,000	9,09,090	-6,09,090 **
Printing and Stationary & Distribution	3,00,000	2,25,000	-75,000 **
Statutory and other miscellaneous expenses	11,62,000	8,98,092	2,63,908 *
Total Estimated Issue expenses	78,12,000	88,27,342	-10,15,342

* States that the estimated cost was more as compared to the actual cost the same is due to some cost effective co-operation from intermediaries as the company is a SME.

** States that the actual cost was more as compared to the estimated cost the same was due to increase in Statutory and other miscellaneous expenses and more focus on Pre-IPO advertisement and marketing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Macro Economic Scene

Fiscal 2016 was a difficult period for business and economy. The trend of slowdown in global growth continued during the year. The below-par-performance of global economy was reflected in a continued growth deceleration in most emerging and developing economies, driven by low commodity prices, weaker capital inflows and subdued global trade. Against this global backdrop, the growth in India stayed fairly resilient. India was the fastest growing large economy with a stable currency that performed better than most other emerging market currencies.

The domestic macro-economic conditions also remained stable. A significant drop in commodity costs led by crude oil and other interventions resulted in lower consumer inflation which allowed easing of interest rates in the economy. However, a second consecutive year of drought and a low increase in support prices led to a sharply slower growing rural economy compared to earlier years. Given the backdrop of a slowing market, a volatile input cost environment and heightened competitive intensity, the operating environment for your Company during the year continued to be challenging. Your company's performance for the year 2015-16 has to be viewed in the context of aforesaid economic and market environment.

Industry Overview

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

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

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

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

Even though the company's financial performance was below expectation last year due to factors beyond the control of the management, it is heartening that none of the company's contracts was cancelled. There was delay in execution of various projects due to recessionary trend but, the project will be completed in due course which should improve the financial position of the company. In fact, during the year, the company has received many prestigious contracts from big names like Bharat Electronics, LG Electronics, IIT Powai, RITES, VSUM Mobiles, Caspia Hotels, etc.

The new fiscal has started off with a positive note for the company with the recovery outstanding significantly improving. Billings and realization witnessed a marked increase in the first quarter of current year (April-June 2016) over the last quarter of the previous fiscal (January-March 2016).

We are pleased to report that your company has almost completed Rs 8 crore-project in Darrussalam, Tanzania, which will be handed over to the client soon. In order to expand its presence further in that country, your company proposes to participate in the 12th Tanzania Trade Show to be conducted by Federation of Indian Export Organizations in November 2016.

Further, hitherto dependent on sub-contracts from large infra companies, your company is now bidding contracts on its own thereby significantly expanding the customer base in all three sectors viz. government, semi-government and private. Direct customer base, though results in temporary decrease in top line, will boost the company's brand value in the market and would also enhance the profit margin. Also, post-public issue, with improved fund position, the company has started procuring VRV machines directly from Samsung Korea which has resulted in increased sales margin though it has led to sharp increase in inventory.

Going forward, the company has already registered itself with NSIC and the subsidiary too has successfully applied for CPRI Certification. With these registrations, the management is confident of procuring big ticket contracts in future. The NSIC registration has already helped the company to secure a Government contract.

Another positive factor that could immensely help the company in the coming years is the new GST Bill. Currently, the company provides goods and services in 7 to 8 states and incurs heavy

expenses for legal compliance and documentation which will be reduced after GST comes into force. Introduction of GST will make the process less cumbersome for the company besides considerably reducing the compliance cost and improving liquidity.

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, 2016, the Company's Board had 6 Directors, of which three were Executive Directors, and three 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 Ramchander Singh	2355992
Independent Directors	Mr. Pradeep Shrirang Bhawe	6757517
	Mr. Vinay Raghunath Deshmukh	7153755
	Mr. Vipul J. Vora	7235502
	Mr. Hiren Mehta*	

*Mr. Hiren Mehta Resigned w.e.f 6th July 2015

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, 2016 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, 2016 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	2415832	31.34
3	Mrs. Sharmila Ramchander Singh	36620	0.48

Meetings and Attendance

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

During the year, the Board met 13 times. The meetings of the Board of Directors were held on 10th April, 2015, 23rd May, 2015, 11th June 2015, 21st July, 2015, 17th August 2015, 22nd September 2015, 7th October 2015, 19th October, 2015, 14th November 2015, 25th November 2016, 30th January 2016, 5th March 2016 and 19th March 2016. 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 25 th September, 2015
1	Mr. Nimesh Natvarlal Mehta	13	13	Yes
2	Mrs. Manisha Nimesh Mehta	13	13	Yes
3	Mrs. Sharmila Ramchander Singh	13	13	Yes
4	Mr. Pradeep Shrirang Bhawe	13	4	Yes
5	Mr. Vinay Raghunath Deshmukh	13	6	Yes
6	Mr. Vipul J. Vora	13	3	Yes

III. COMMITTEES

i) Audit Committee

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

Sl.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1	Mr. Pradeep Bhawe	Independent Director, Chairman	5	2
2	Mr. Vinay Deshmukh	Independent Director, Member	5	5
3	Mrs. Manisha Mehta	Director, Member	5	5

The Company Secretary acts as the Secretary of the Committee. Meetings of the Audit Committee of the Board were held on 23rd May, 2015, 21st July, 2015, 7th October, 2015, 30th January, 2016 and 19th March, 2016.

Terms of Reference

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

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.

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

14. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

16. To review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

17. Any other terms of reference as contained in the Companies Act, 2013.

ii) Nomination and Remuneration Committee

In terms of provisions of Clause 52 of the SME Listing Agreement with NSE, the Compensation/

Nomination and Remuneration Committee of the Board was formed on 10th April, 2016 and the Committee consists of three Independent Directors. The Committee was re-designated as

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	3	0
2	Mr. Vinay Deshmukh	Independent Director, Member	3	3
3	Mr. Vipul Vora	Independent Director, Member	3	3
4	*Mr. Hiren Mehta	Independent Director, Chairman	3	0

*Mr. Hiren Mehta resigned w.e.f 6th July 2015.

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Compensation / Nomination and Remuneration Committee of the Board were held on 23rd May, 2015, 21st July, 2015 and 17th August 2015.

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 2014-15 were as follows:

Name of Director	Sitting Fee	Salary	Contribution to Statutory & Other Funds	Performance Linked Incentive	Total
Promoters / executive Directors					
Mr. Nimesh Mehta	-	1,60,2000	-	-	1,60,2000
Mrs. Manisha Mehta	-	13,50,000	-	-	13,50,000
Executive Directors					
Mrs. Sharmila Singh	-	13,50,000	-	-	13,50,000
Independent Directors		-	-	-	-
Mr. Pradeep Bhawe	50,000	-	-	-	50,000
Mr. Vinay Deshmukh	50,000	-	-	-	50,000
Mr. Vipul Vora	20,000	-	-	-	20,000

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

iii) Stakeholder Relationship Committee

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

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

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

- Mr. Hiren Mehta resigned w.e.f 6th July 2015.
- Mr. Pradeep Bhawe appointed in Stakeholder Committee w.e.f. 21st June 2015

The Company Secretary acts as the Secretary of the Committee.

Meetings of the Stakeholder Relationship Committee of the Board of Directors were held on 11th June 2015, and 20th January, 2015.

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. Neeharika Shukla is Company Secretary and Compliance Officer of the Company.

Investor Grievance Redressal:

During the Financial Year 201-16, the Company has not received any complaints from the Shareholders. There were no complaints outstanding as on 31st March, 2016.

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
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
2012-13	26 TH September, 2013	11.00 AM	59/4, ODHAV ASHISH JANARDHAN PARK, RAGHUNATH NAGAR, THANE 400604	NIL

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

The Company did not pass any special resolution through Postal Ballot during the Financial Year 2015-16 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.

Audit Qualifications

The Financial Statements of the Company for the Financial Year 2015-16 are qualified for gratuity calculation.

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 neeharika@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)

Wednesday, 10th September, 2016 at 10.00 AM

Financial Year: April to March

Dividend Payment: Credit / Dispatch of dividend warrants completed on as Interim Dividend declared in March as on Record Date 4th April 2016.

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.

Market Price Data

Date	Open	High	Low	Close	LTP	Volume	Turnover (in Lakh)
28-Mar-16	16.25	16.25	16.25	16.25	16.25	6,000	0.98
23-Mar-16	17	17	16.25	16.25	16.25	12,000	2.00
22-Mar-16	17.5	17.5	17.5	17.5	17.5	6,000	1.05
21-Mar-16	17.5	17.5	17.5	17.5	17.5	6,000	1.05
18-Mar-16	17.5	17.5	17.5	17.5	17.5	6,000	1.05
17-Mar-16	17.75	17.75	17.75	17.75	17.75	6,000	1.06
16-Mar-16	18	18	18	18	18	6,000	1.08
15-Mar-16	18.95	18.95	18.5	18.5	18.5	12,000	2.25
14-Mar-16	17	17.5	17	17.5	17.5	12,000	2.07
1-Mar-16	16	16.25	16	16.25	16.25	12,000	1.94
16-Feb-16	17.4	17.4	17.4	17.4	17.4	6,000	1.04
11-Feb-16	19	19	19	19	19	6,000	1.14
29-Jan-16	20	20.25	20	20.25	20.25	12,000	2.42
28-Jan-16	21	21	21	21	21	6,000	1.26
13-Jan-16	22	22	22	22	22	6,000	1.32
7-Jan-16	22	22	22	22	22	6,000	1.32
31-Dec-15	23	23	22.05	22.05	22.05	36,000	8.22
30-Dec-15	23	23.05	23	23	23	54,000	12.42
28-Dec-15	23.05	23.05	23	23	23	18,000	4.14
24-Dec-15	23.1	23.15	23.05	23.1	23.1	24,000	5.54
21-Dec-15	23.1	23.1	23.1	23.1	23.1	12,000	2.77
18-Dec-15	23	23	23	23	23	6,000	1.38
17-Dec-15	23	23	23	23	23	12,000	2.76
15-Dec-15	23.2	23.2	23.15	23.15	23.15	12,000	2.78
14-Dec-15	23.05	23.05	21.75	23	23	18,000	4.07
8-Dec-15	23.2	23.2	23.15	23.15	23.15	18,000	4.17
7-Dec-15	23.25	23.25	23.15	23.15	23.15	18,000	4.17
4-Dec-15	23.2	23.2	23.15	23.15	23.15	12,000	2.78
3-Dec-15	24.5	24.5	23.1	23.5	23.5	18,000	4.27

1-Dec-15	24.75	25.25	24.75	25	25	18,000	4.5
30-Nov-15	23.5	23.5	23.5	23.5	23.5	6,000	1.41
27-Nov-15	23.5	23.5	23.5	23.5	23.5	6,000	1.41
26-Nov-15	23.15	23.15	23.1	23.1	23.1	24,000	5.55
23-Nov-15	24.2	24.75	23.5	24.75	24.75	54,000	12.88
20-Nov-15	26	26	23.6	25.1	25.5	2,64,000	64.75

1. Shares got listed on 20th November 2015.

Performance in comparison to broad-based indices: Not Applicable, since NSE – SME Index is yet to be launched by NSE.

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, 2016:

S.no	Category	Cases	% of Cases	Amount	% Amount
1	5001 - 10000	2	1.04	15640.00	0.02
2	10001 - 20000	4	2.07	62230.00	0.08
3	40001 - 50000	6	3.11	300000.00	0.39
4	50001 - 100000	155	80.31	9317830.00	12.09
5	100001 & ABOVE	26	13.47	67398380.00	87.42
	Total:	193	100.00	77094080.00	100.00

Shareholding Pattern as on 31st March, 2016:

Sno	Description	Cases	Shares	% Equity
1	BANKS	1	72000	0.93
2	H U F	29	210000	2.72
3	BODIES CORPORATES	5	445783	5.78
4	PROMOTERS GROUP	3	53287	0.69
5	PROMOTER INDIVIDUALS	2	4981885	64.62
6	RESIDENT INDIVIDUALS	149	1322453	17.15
7	VENTURE CAPITAL	4	624000	8.09
	Total:	193	7709408	100.00

Dematerialisation of Shares and Liquidity as on 31st March, 2016:

Sno	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	10	121967	1.58
2	NSDL	90	5913441	76.70
3	CDSL	93	1674000	21.71
	Total:	193	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, Navi Mumbai
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. Neeharika Shukla,
168, Bhanusali Chambers,
Sant Tukaram Road, Masjid Bandar (E)
Mumbai - 400 009
Tel: + 91 022 2500 2538.
E-mail: Neeharika@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



**STANDALONE FINANCIAL
STATEMENT
F.Y. 2015 - 2016**

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 2016, 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.

Basis of qualified opinion

The Company has provided gratuity liability on the basis of arithmetical basis instead of actuarial valuation basis, which constitutes a departure from the Accounting Standard-AS15 "Employee Benefits". Since the actuarial valuation of gratuity is not available impact of the same on standalone financial results could not be ascertained.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of qualified opinion above, 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, 2016;

- 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, except for the possible effects of the matter described in Basis of qualified opinion above, 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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.30 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.

For Godbole Bhavé & Co.
Chartered Accountants
FRN 114445W

Place: Mumbai
Date: 19.05.2016

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 31,2016.

- (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 of Rs. 6,22,655/-, 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 2016 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	5,31,378/-	2011-12	JT. Comm. Of Commercial taxes(Appeals) - 4, Bangalore
Maharashtra VAT Act	VAT	7,12,688/-	2008-09	Dy. Commissioner of Sales Tax (Appeals),Thane
Maharashtra VAT Act	VAT	43,815/-	2011-12	Dy. Commissioner of Sales Tax (Appeals),Thane

Out of the above disputed value added tax dues, an amount of Rs. 2,04,478/- 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 31st March, 2016	Period of Default
1	Axis Bank	Overdue Amount of Loan repayable on demand	₹ 34,84,711/-	Mar-16

- (ix) According to the information and explanations given to us and on the basis of examination of records, the money raised by the Company by way of initial public offer and term loans during the year were applied for the purposes for which those are 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 made private placement of shares complying with the provisions of section 42 of the Act and has utilised the said money for the purposes for which the funds

were raised. The Company during the year has neither made any preferential allotment of shares nor issued fully or partly convertible debentures.

- (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.

For Godbole Bhawe & Co.
Chartered Accountants
FRN 114445W

Place: Mumbai
Date: 19.05.2016

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 31,2016.

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, 2016 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, 2016, 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.

For Godbole Bhawe & Co.
Chartered Accountants
FRN 114445W

Place: Mumbai
Date: 19.05.2016

Arvind Mahajan
Partner
Membership No. :100483

PERFECT INFRAENGINEERS LIMITED

Standalone Balance Sheet as on 31st March,2016

Particulars	Note no.	As at	As at
		31st March,2016	31st March,2015
		₹	₹
I. EQUITY & LIABILITIES			
1 Shareholder's Funds			
(a) Share capital	2	77,094,080	51,054,080
(b) Reserves and surplus	3	49,306,831	14,102,036
2 Non-current liabilities			
(a) Long-term borrowings	4	23,377,256	36,530,181
(b) Deferred tax liability (net)	5	2,552,872	1,679,347
(c) Other long - term liabilities	6	183,050	183,050
(d) Long-term provisions	7	3,316,991	2,789,101
3 Current liabilities			
(a) Short-term borrowings	8	64,797,576	58,032,215
(b) Trade payables	9	38,601,953	42,133,974
(c) Other current liabilities	10	40,434,655	37,262,534
(d) Short-term provisions	11	4,263,918	3,048,197
TOTAL		303,929,182	246,814,716
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	12	59,611,422	64,222,868
Intangible assets	12	875,654	-
(b) Non Current Investments	13	11,107,175	1,201,175
(c) Long-term loans and advances	14	6,567,511	11,193,314
(d) Other non-current assets	15	14,519,805	5,640,854
2 Current assets			
(a) Inventories	16	48,227,943	12,836,540
(b) Trade receivables	17	96,768,509	123,462,338
(c) Cash and cash equivalents	18	6,569,591	4,911,645
(d) Short-term loans and advances	19	23,780,949	997,481
(e) Other current assets	20	35,900,623	22,348,502
TOTAL		303,929,182	246,814,716

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: 19.05.2016

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Neeharika Shukla

Company Secretary

PERFECT INFRAENGINEERS LIMITED

Statement of Standalone Profit & Loss for year ended 31st March, 2016

Particulars	Note No.	31st March,2016	31st March,2015
		₹	₹
I. Revenue from operations	21	172,636,635	254,403,175
II. Other Income	22	8,776,988	7,962,606
III. Total Revenue (I + II)		181,413,623	262,365,781
IV. <u>Expenses:</u>			
Cost of Materials/Services Consumed	23	90,567,067	157,233,959
Employee benefits expense	24	38,161,955	44,453,235
Finance costs	25	15,985,132	13,913,289
Depreciation and amortization expense	12	6,946,337	6,890,152
Other expenses	26	20,160,152	23,020,483
Total Expenses		171,820,643	245,511,119
V. Profit before tax (III- IV)		9,592,980	16,854,662
VI. Tax Expense:			
(1) Current tax		2,200,000	4,225,000
(2) Deferred tax		873,525	444,510
(3) Excess Provision of Previous Year		541,242	(2,167.49)
		3,614,767	4,667,343
VII. Profit (Loss) for the period (V-VI)		5,978,213	12,187,320
VIII. Earnings per equity share:	27		
Face value Rs.10 each			
- Basic and Diluted		0.99	2.39

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 Bhav & Co.

Chartered Accountants

FRN : 114445W

For and on behalf of the Board of Directors

Arvind S. Mahajan

Partner

M. No. 100483

Place: Mumbai

Date: 19.05.2016

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Neeharika Shukla

Company Secretary

	PERFECT INFRAENGINEERS LIMITED			
	STANDALONE CASHFLOW STATEMENT for the year ended 31st March,2016			
			Amount	
			₹	
	Particulars	FOR THE YEAR ENDED MARCH 31,2016	FOR THE YEAR ENDED MARCH 31,2015	
	CASH FROM OPERATING ACTIVITIES			
	Net Profit / (Loss) before tax and extraordinary items:	9,592,980	16,854,662	
	Depreciation	6,946,337	6,890,152	
	Interest and Dividend Income	(273,618)	(563,198)	
	Bad Debts w/off	480,454	2,172,468	
	(Profit)/Loss on sale of fixed assets	(4,518,577)	(4,106,598)	
	Provision for Gratuity	527,890	480,965	
	Interest on Borrowings	15,985,132	13,913,289	
	Share Issue Expenses W/off	642,603	-	
	Operating Profit before Working Capital changes	29,383,201	35,641,740	
	Adjustments for:			
	Inventories	(35,391,403)	35,142,287	
	Trade Receivables	26,213,374	(44,895,327)	
	Loans and advances	(18,157,666)	(5,705,151)	
	Other non current assets and Current Assets	(15,586,533)	(19,263,132)	
	Trade payables	(3,532,021)	7,890,683	
	Other current liabilities and provisions	3,578,925	(9,627,302)	
	Cash generated from Operations	(13,492,123)	(816,199)	
	Direct taxes received / (paid)	(4,151,271)	(2,224,303)	
	Cash Flow from Operating Activities	(17,643,394)	(3,040,502)	
	Extraordinary items:			
	Extraordinary item	-	-	
	Net Cash from Operating Activities: (A)	(17,643,394)	(3,040,502)	
	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchases of Fixed Assets \WIP\Capital Advance	(3,691,968)	(29,484,041)	
	Proceeds from Sale of Fixed Assets	5,000,000	4,990,000	
	Purchase of Investment	(9,906,000)	(94,000)	
	Sale proceeds from sale of shares	-	35	
	Interest and Dividend Income	273,618	563,198	
	Net cash generated from/(used in) investing activities (B)	(8,324,350)	(24,024,808)	
	Particulars	FOR THE YEAR ENDED MARCH 31,2016	FOR THE YEAR ENDED MARCH 31,2015	
	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds From Fresh Issue	59,892,000	-	
	Increase/Decrease in Loans from Bank (Net)	(6,766,930)	39,292,249	
	Interest /Finance Charegs paid	(16,012,571)	(13,794,243)	
	Dividend Paid / Dividend Distribution Tax Paid	(1,999,668)	(6,728)	
	Share issue Expenses	(7,487,142)	-	
	Fixed Deposit held with Bank as margin Money	(1,128,633)	2,487,933	
	Net cash received from/(used in) financing activities (C)	26,497,056	27,979,212	
	Net increase in cash and cash equivalents (A + B + C)	529,312	913,902	
	Cash and cash equivalents (Opening)	1,268,821	354,919	
	Cash and cash equivalents (Closing)	1,798,134	1,268,821	
	Cash and Cash equivalents as restated	1,798,134	1,268,821	
	(i) The above Cash Flow Statement has been prepared under the " Indirect Maetod" 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.		For and on behalf of the Board of Directors	
	Chartered Accountants			
	FRN : 114445W			
			Nimesh Mehta	Manisha Mehta
			Director	Director
	Arvind S. Mahajan			
	Partner			
	M. No. 100483			
	Place: Mumbai		Neeharika Shukla	
	Date: 19.05.2016		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.

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.

Notes to Standalone Financial Statements for the year ended 31st March, 2016

NOTE 2: SHARE CAPITAL

	31st March,2016		31st March,2015	
	Number	Amount (₹)	Number	Amount (₹)
2.1 Authorised				
Equity Shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
2.2 Issued, Subscribed & Paid up				
Shares at the beginning of the period	5,105,408	51,054,080	3,829,056	38,290,560
Add: Issued during the year	2,604,000	26,040,000	-	-
Add: Issued Bonus shares	-	-	1,276,352	12,763,520
Shares at the end of the period	7,709,408	77,094,080	5,105,408	51,054,080
2.3 Reconciliation of Number of Shares				
Outstanding at Beginning of the period	5,105,408		3,829,056	
Add: Issued during the year for Cash	2,604,000		-	
Add: Issued as Bonus Shares	-		1,276,352	
Less: Shares Bought back during the period	-		-	
Outstanding at the end of the period	7,709,408		5,105,408	
2.4 Aggregate Number of bonus shares issued, issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:				
Equity Shares allotted as fully paid bonus shares by capitalization of security premium and free reserves	3,699,685		2,715,206	
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	50.26%
Mrs. Manisha Mehta	2,415,832	31.34%	2,415,832	47.32%
India Opportunities Fund	438,000	5.68%	-	-
2.6 Terms /Rights attached to the Equity Shares				

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

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

Note 3: <u>RESERVES & SURPLUS</u>		31st March,2016	31st March,2015
		₹	₹
3.1	<u>General Reserve</u>		
	Opening Balance	-	1,500,000
	Add: Current Year Transfer	-	-
	Less: Utilised for issue of Bonus Shares	-	(1,500,000)
	Closing Balance	-	-
3.2	<u>Security Premium</u>		
	Opening Balance	-	2,812,770
	Add: Addition during current year	33,852,000	-
	Less: Utilised for issue of Bonus Shares	-	(2,812,770)
	Closing Balance	33,852,000	-
3.3	<u>Statement of Profit & Loss</u>		
	Opening Balance	14,102,036	11,932,647
	Add: Net Profit/(Net Loss) for the Period	5,978,213	12,187,320
		20,080,249	24,119,967
	Less: Transferred to General Reserve	-	-
	Less: Depreciation Adjustment (Refer Note No. 12.1)	-	338,227
	Less: Utilised for issue of Bonus Shares	-	8,450,750
	Less: Interim Dividend Paid	3,854,704	1,021,082
	Less :Dividend Distribution Tax Paid	770,714	207,872
	Closing Balance	15,454,831	14,102,036
		49,306,831	14,102,036
Note 4: <u>LONG TERM BORROWINGS</u>		31st March,2016	31st March,2015
		₹	₹
<u>(Secured)</u>			
<u>Term Loan</u>			
<u>- From Banks</u>			
	SIDBI (refer note 4.1 & 4.4)	7,216,000	10,354,000
	ICICI Bank (refer note 4.2 & 4.4)	14,748,220	20,833,333
<u>- From Others</u>			
	Mahindra and Mahindra Finance (refer note 4.3 & 4.4)	152,081	242,195
<u>(Unsecured)</u>			
<u>- From Banks</u>			
	Deutsche Bank (refer note 4.4)	-	2,671,435
<u>- From Others</u>			
	Tata Capital Financial Services(refer note 4.4)	1,260,955	2,429,218
		23,377,256	36,530,181

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 company's movable fixed assets;
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 Vasve ;
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.

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4.4 Terms of Repayment

Nature of Facility and Rate of Interest	Mar 2017	Mar 2018	Mar 2019	Mar 2020
Loan from SIDBI @ 13%	882,000	882,000	882,000	588,000
Loan from SIDBI @ 16%	2,068,000	2,256,000	2,256,000	352,000
ICICI Bank - 8.35Lacs @ 12%	268,718	296,856	101,364	-
ICICI Bank - 250Lacs @ 12.75%	6,483,333	7,500,000	6,016,667	833,333
Deutsche Bank - 50 Lacs @ 13.65%	2,667,846	-	-	-
Loan from Mahindra & Mahindra @ 14%	90,114	104,085	47,996	-
Tata Capital Finance Services @ 17.19%	1,168,263	1,260,955	-	-

Note 5: DEFERRED TAX LIABILITIES (Net)

5.1 Deferred Tax Liability (A)

Depreciation/Adjustment

31st March,2016

₹

3,577,822

31st March,2015

₹

2,714,146

5.2 Deferred Tax Asset (B)

On account of Disallowance U/s. 43 B

(1,024,950)

(1,034,799)

2,552,872

1,679,347

Note 6: OTHER LONG TERM LIABILITIES

Deposits from Customers

31st March,2016

₹

183,050

31st March,2015

₹

183,050

183,050

183,050

Note 7:	<u>LONG TERM PROVISIONS</u>	31st March,2016	31st March,2015
		₹	₹
	Provision For Gratuity	3,316,991	2,789,101
		3,316,991	2,789,101

Gratuity payable is provided on Airthmatic basis considering Provisions of Payment of Gratuity Act, 1972, however the Company has not created any fund for payment of the same.

Note 8:	<u>SHORT TERM BORROWINGS</u>	31st March,2016	31st March,2015
		₹	₹
	<u>(Secured)</u>		
	Loans repayable on demand		
	ICICI Bank (refer note 8.1)	60,598,226	53,655,129
		60,598,226	53,655,129
	<u>(Unsecured)</u>		
	Loans repayable on demand		
	Axis Bank (refer note 8.2 & 8.3)	4,199,350	4,377,086
		4,199,350	4,377,086
		64,797,576	58,032,215

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

8.3 Includes ovredue amount of Rs.34,84,711/- for the period March 16

Note 9:	<u>TRADE PAYABLES</u>	31st March,2016	31st March,2015
		₹	₹
	Trade Payables-for Goods & Services	38,601,953	42,133,974
	(Including acceptances)	38,601,953	42,133,974

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.

<u>Note 10:</u>	<u>OTHER CURRENT LIABILITIES</u>	31st March,2016	31st March,2015
		₹	₹
	Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4)	13,628,274	14,007,641
	Interest Accrued but not due	91,607	119,046
	Statutory Dues payable	953,681	2,772,070
	Advance from Customers	18,434,491	13,962,164
	Employee Benefit Expenses payable	3,422,777	2,891,317
	Unearned Revenue	1,716,910	2,090,122
	Other payables	2,186,914	1,420,175
		40,434,655	37,262,534
<u>Note 11:</u>	<u>SHORT TERM PROVISIONS</u>	31st March,2016	31st March,2015
		₹	₹
	Interim Dividend Payable	3,854,704	1,021,082
	Provision for Dividend Distribution Tax	-	207,872
	Provision for Income Tax (Net of Advance Tax & TDS)	409,214	1,819,243
		4,263,918	3,048,197

PERFECT INFRAENGINEERS LIMITED
Notes to Standalone Financial Statements for the year ended 31st March, 2016
Note: 12 TANGIBLE & INTANGIBLE ASSETS (Previous Year)

Name Of Asset	Gross Block As on 1-Apr-14	Addition During the Year	Deduction During the Year	Gross Block As On 31-Mar-15	Depreciation Upto 1-Apr-14	Depreciation For the Year	Transfer to Reserve	Depreciation Adjustment/ Deletion	Depreciation As On 31-Mar-15	Net Block As On 31-Mar-15	Net Block As On 31-Mar-14
TANGIBLE ASSETS											
<u>(a) Buildings</u>											
Office Buildings	11,111,929		1,514,369	9,597,560	2,053,567	409,612		630,959	1,832,220	7,765,340	9,058,362
Factory Building	-	35,867,700		35,867,700		2,744,616			2,744,616	33,123,084	-
Guest House	13,765,536		-	13,765,536	768,890	632,654		-	1,401,544	12,363,992	12,996,646
<u>(b) Plant & Equipments</u>											
Owned	786,294	110,960	-	897,254	316,623	103,116	2,030	-	421,769	475,485	469,671
Owned, Given on Hire	30,204,863	839,213	-	31,044,076	19,178,038	2,618,006	88,481	-	21,884,525	9,159,552	11,026,825
(c) Furniture & Fixtures	1,489,575	50,000		1,539,575	629,272	254,368	56,127	-	939,767	599,808	860,303
(d) Vehicles	2,588,002		-	2,588,002	1,887,449	212,245	4,084	145,711	1,958,067	629,935	700,553
<u>(e) Office Equipment</u>											
Office Equipment	297,372	37,517	-	334,889	209,225	44,866	44,036	-	298,127	36,762	88,147
Computer	1,686,807	70,884	-	1,757,691	1,528,931	19,225	143,469	2,845	1,688,780	68,910	157,876
INTANGIBLE ASSETS											
<u>(a) Software</u>	-	-	-	-	-	-	-	-	-	-	-
TOTAL	61930377.58	36976274	1514369	97392282.58	26571994.98	7038708	338226.92	779515	33169414.9	64222867.68	35358382.6
Previous year	54,887,007	7,043,371	-	61,930,378	23,058,186	3,513,809	-	-	26,571,995	35,358,383	31,828,821

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 Standalone Financial Statements for the year ended 31st March, 2016
Note: 12 TANGIBLE & INTANGIBLE ASSETS (Current 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

Note 13: NON CURRENT INVESTMENTS		31st March,2016	31st March,2015
		₹	₹
Trade			
Unquoted Investments			
In Subsidiaries			
Investments in Equity Instruments			
Perfect Controls Panels Private Limited		10,000,000	94,000
10,00,000 (9,400) Shares of Rs. 10 each, fully paid (Refer Note No.35)			
Non Trade			
13.1 Quoted Investments			
Investments in Equity Instruments			
Hindustan Construction Company		520,048	520,048
19,236 (19236) Shares of Rs. 10 each, fully paid			
Investments in Mutual Funds			
Kotak Select Fund		20,000	20,000
2,000 Units (2,000 Units) of Rs. 10 each			
Total Quoted Investments		<u>540,048</u>	<u>540,048</u>
Aggregate Market Value of Quoted Investment		<u>421,350</u>	<u>673,115</u>
13.2 Unquoted Investments			
Investments in Equity Instruments			
The Thane Janata Sahakari Bank Ltd		500,005	500,005
10,000 (10,000) Shares of Rs.50/- each, fully paid			
Investment in Government Securities			
National Savings Certificate		20,000	20,000
Total Unquoted Investments		<u>520,005</u>	<u>520,005</u>
13.3 Other Investment : Gold Coin		47,122	47,122
		<u>11,107,175</u>	<u>1,201,175</u>

For basis of valuation refer note no. 7 of Significant Accounting Policy

Note 14:	<u>LONG TERMS LOANS & ADVANCES</u>	31st March,2016	31st March,2015
		₹	₹
	Capital Advances (Refer Note No 19.1)	-	1,015,768
	Rent Deposits	1,096,222	1,472,222
	Deposit with suppliers	1,156,404	1,025,227
	Other Deposits	4,314,885	7,680,097
		6,567,511	11,193,314
Note 15:	<u>OTHER NON CURRENT ASSETS</u>	31st March,2016	31st March,2015
		₹	₹
	(Unsecured Considered Good)		
	Retention with customers	8,016,464	4,434,674
	Miscellaneous Exp (to the extent not W/off) (Refer Note No. 15.1)	6,503,341	1,206,180
		14,519,805	5,640,854
15.1 Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy.			
Note 16:	<u>INVENTORIES</u>	31st March,2016	31st March,2015
		₹	₹
	Stock of raw materials	28,757,655	4,203,742
	Stock of Spares and Components	19,470,288	8,432,798
	Work in Process	-	200,000
		48,227,943	12,836,540
	For basis of valuation refer note no. 8 of Significant Accounting Policy		
Note 17:	<u>TRADE RECEIVABLES</u>	31st March,2016	31st March,2015
		₹	₹
	<u>Trade Receivables</u>		
	(Unsecured Considered Good)		
	Outstanding for a Period exceeding six months	36,873,161	32,539,404
	(From the due date of payment)		
	Others	59,895,348	90,922,933
		96,768,509	123,462,338
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:	<u>CASH & BANK BALANCES</u>	31st March,2016	31st March,2015
			₹
	<u>Cash and cash equivalents</u>		
	Cash on hand	649,016	182,789
	<u>Balance with Banks</u>		
	Balances with banks	1,149,117	1,086,032
	<u>Other bank balances</u>		
	- Margin Money for Bank Guarantees*	4,771,457	3,642,824
		6,569,591	4,911,645

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

Note 19:	<u>SHORT TERMS LOANS & ADVANCES</u>	31st March,2016	31st March,2015
		₹	₹
	(Unsecured Considered Good)		
	Advance to Suppliers	12,597,413	793,981
	Advance to Employees	473,500	203,500
	Other Deposits	5,202,036	
	Other Advances (Refer Note No. 19.1)	5,508,000	-
		23,780,949	997,481

19.1 Considering the current business scenario the company has decided not to procure machinery for which part advances of Rs. 5,08,000/- were made in an earlier year and accordingly the said capital advances are regrouped under Short Term Loans and Advances.

Note 20:	<u>OTHER CURRENT ASSETS</u>	31st March,2016	31st March,2015
		₹	₹
	(Unsecured Considered Good)		
	Retention with customers	-	1,999,771
	Accured receivable	32,832,704	19,740,782
	Prepaid expenses	491,644	106,908
	Balance with Revenue Authorities	333,581	-
	Accrued Interest on NSC	3,622	1,700
	Other Receivable	557,674	365,321
	Miscellaneous Exp (to the extent not W/off) (Refer Note No. 15.1)	1,681,398	134,020
		35,900,623	22,348,502

<u>Note 21:</u>	<u>REVENUE FROM OPERATIONS</u>	31st March,2016	31st March,2015
		₹	₹
	Trading/ Installation & Commissioning of AC	146,440,355	230,465,771
	Renting of Air Conditioners	8,124,234	8,940,712
	Sale of Services	15,753,992	14,941,192
	Other operating income	2,318,055	55,500
		172,636,635	254,403,175
<u>Note 22:</u>	<u>OTHER INCOME</u>	31st March,2016	31st March,2015
		₹	₹
	Interest Income from Bank Deposits	198,618	488,198
	Dividend Income	75,000	75,000
	Net gain on foreign currency transaction	410,862	72,484
	Profit on Sale of Fixed Asset	4,518,577	4,106,590
	Sundry provisions and credit balances no longer required, written back	1,337,892	3,163,301
	Profit/Loss on Shares	-	8
	Rent Income	600,000	-
	Other non-operating income	1,636,038	57,025
		8,776,988	7,962,606

<u>Note 23:</u>	<u>COST OF MATERIALS / SERVICES CONSUMED</u>	31st March,2016	31st March,2015
		₹	₹
	Opening Stock of Raw Material and WIP	12,836,540	47,978,828
	Purchases	113,673,259	110,353,855
	Labour	1,804,414	3,176,322
	Site expenses	10,480,798	8,561,494
	Less: Closing Stock of Raw Material and WIP	48,227,943	12,836,540
		90,567,067	157,233,959
<u>Note 24:</u>	<u>EMPLOYEE BENEFIT EXPENSES</u>	31st March,2016	31st March,2015
		₹	₹
	Salaries, wages and bonus	36,577,663	42,888,510
	Contribution to provident and other funds	1,056,402	1,083,760
	Gratuity	527,890	480,965
		38,161,955	44,453,235
<u>Note 25:</u>	<u>FINANCE EXPENSES</u>	31st March,2016	31st March,2015
		₹	₹
	Interest paid to Banks	13,672,101	12,095,217
	Interest Paid to Others	189,114	331,485
	Other Borrowing Costs	2,123,917	1,486,587
		15,985,132	13,913,289

Note 26:	OTHER EXPENSES	31st March,2016	31st March,2015
		₹	₹
	Auditor's Remuneration (Refer note no 26.1)	400,000	300,000
	Advertising and Sales Promotion	10,000	15,000
	Bad Debts	480,454	2,172,468
	Communication Costs	932,660	941,323
	Business Promotion expenses	-	512,873
	Discount	-	330,762
	Donation	-	1,500
	Insurance	115,801	159,349
	Legal & Professional Fees	1,097,079	909,190
	Books & Periodicals Subscriptions and Membership	29,565	69,349
	Miscellaneous Expenses	310,774	130,980
	Packing Expenses	10,050	3,470
	Power & Fuel	953,547	816,358
	Postage & Courier Charges	38,511	31,825
	Printing & Stationery	229,459	225,985
	Rent	1,780,379	2,038,196
	Rates & Taxes	225,941	63,333
	Repairs and Maintenance Expenses	1,011,840	1,655,537
	Security services	159,775	122,000
	Profession Tax-Company	7,000	-
	Indirect Taxes Paid	95	141,802
	Transportation charges	3,216,450	3,254,468
	Travelling & Conveyance	8,398,168	9,124,716
	Director Sitting Fees	110,000	-
	Share Issue Expenses W/off	642,603	-
		20,160,152	23,020,483

26.1 Payment to Auditor	₹	₹
Statutory Audit & Tax Audit	400,000	300,000
Other Matters (Refer Note no 26.2)	100,000	300,000
	500,000	600,000

26.2 Represents Fees for services related to IPO are considered under Issue Expenses, which are amortised over the period of 5 years.

26.3 Prior Period items	31st March,2016	31st March,2015
Expenses	₹	₹
Salaries, wages and bonus	-	2,317,753
Travelling & Conveyance	-	279,925
Rent	-	82,650
Repairs and Maintenance Expenses	-	182,155
Indirect Taxes Paid	-	133,675
Depreciation (Also refer note no 12.2 of the previous year figures)	-	(148,556)
	-	2,847,601

Prior period items are considered in the respective line items as stated above

NOTE 27: EARNINGS PER SHARE

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

Particulars	31st Mar 2016	31st Mar 2015
Profit before Tax	9,592,980	16,854,662
Less :		
Provision for Tax & Deferred Tax	3,614,767	4,667,343
Profit after tax	5,978,213	12,187,320
Weighted Number of Shares (Nos.)	6,067,146	5,105,408
Basic & Diluted EPS	0.99	2.39

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

Other Related Parties

Accurate Services, Propreitory Concern of Director
Ramchandra Singh, Spouse of a Director
Natwarlal Mehta, Father of Director

Subsidiary Company

Himar Fabrics & Packaging Pvt Ltd, Director is interested
Perfect Control Panels Pvt Ltd

Related Party Transactions :

Particulars	31st March,2016 ₹	31st March,2015 ₹
<u>Key Management Personnel</u>		
Remuneration to Directors	4,302,000	2,558,310
Sale to Proprietary Concern of Director	210,000	344,500
Purchase from Proprietary Concern of Director	184,096	425,419
Rent Paid	384,000	360,000
<u>Other Related Parties</u>		
Rent Paid	480,000	600,000
Salary Paid	300,000	-
<u>Subsidiary Company</u>		
Subscription to shares	9,906,000	94,000
Reimbursement of expenses from	2,223,503	-
Reimbursement of expenses to	13,850	-
Fees Received	1,500,000	-
Rent Received	600,000	-
Purchase of Material	1,179,885	-
<u>Outstanding Balances</u>		
<u>Subsidiary</u>		
Recoverable Exp	-	42,605
Investment	10,000,000	94,000
Advance Given	8,261,726	-
<u>Key Management Personnel</u>		
Trade receivables	321,054	-
Trade Payables	-	51,000
Remuneration Payable	172,242	417,063

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, 2016, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company.

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS

Description	31st March,2016	31st March,2015
CONTINGENT LIABILITIES	₹	₹
Bank Guarantees	21,323,337	24,919,938
Disputed Sales tax liabilities for which appeals are pending (Amount deposited Rs.2,04,478/- (NIL))	1,287,881	-
COMMITMENTS		
Estimated amount of capital commitments not provided for (Net of Advances)	NIL	5,106,501

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

	31st March,2016	31st March,2015
	₹	₹
Sale of Goods and Services	16,164,524	27,246,871

NOTE 32: VALUE OF IMPORTS (on CIF Basis)

	31st March,2016	31st March,2015
	₹	₹
Purchase of Goods	-	6,286,800

NOTE 33: Operating Leases

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

NOTE 34: Segment Reporting

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

NOTE 35: During the 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 on the date of the balance sheet, which are utilised towards payment of outstanding issue expenses during the subsequent year.

NOTE 36: The Sale tax Authorities have carried out survey/search in respect of the Company's operations in Maharashtra under MVAT Act,2005 on 5/4/2016. No specific demand is raised on the Company so far and also the Management is confident that no major liability will be payable by the Company in respect of the said search/survey. Meanwhile the Company has deposited Rs.20,00,000/- under protest.

NOTE 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 Bhawe & Co.
Chartered Accountants
FRN : 114445W

Arvind S. Mahajan
Partner
M. No. 100483
Place: Mumbai
Date: 19.05.2016

For and on behalf of the Board of Directors

Nimesh Mehta
Chairman & Managing Director

Neeharika Shukla
Company Secretary

Manisha Mehta
Director- Finance



PERFECT

INFRAENGINEERS LIMITED

**CONSOLIDATED FINANCIAL
STATEMENT
F.Y. 2015 - 2016**

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, 2016, 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.

Basis of qualified opinion

The Holding Company has provided gratuity liability on the basis of arithmetical basis instead of actuarial valuation basis, which constitutes a departure from the Accounting Standard- AS15 "Employee Benefits". Since the actuarial valuation of gratuity is not available impact of the same on consolidated financial statements could not be ascertained.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of qualified opinion above, 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, 2016, 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, except for the possible effects of the matter described in Basis of qualified opinion above, 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, 2016 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, 2016 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, 2016 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.

For Godbole Bhavé & Co.
Chartered Accountants
FRN 114445W

Place: Mumbai
Date: 19.05.2016

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 31,2016.

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, 2016, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Godbole Bhav & Co.
Chartered Accountants
FRN 114445W

Place: Mumbai
Date: 19.05.2016

Arvind Mahajan
Partner
Membership No. :100483

PERFECT INFRAENGINEERS LIMITED

Consolidated Balance Sheet as on 31st March,2016

Particulars	Note no.	As at 31st March,2016	As at 31st March,2015
I. EQUITY & LIABILITIES			
1 Shareholder's Funds			
(a) Share capital	2	77,094,080	51,054,080
(b) Reserves and surplus	3	50,320,672	14,102,036
Minority Interest		6,609	6,000
2 Non-current liabilities			
(a) Long-term borrowings	4	23,377,256	36,530,181
(b) Deferred tax liability (net)	5	2,582,734	1,679,347
(c) Other long - term liabilities	6	183,050	183,050
(d) Long-term provisions	7	3,316,991	2,789,101
3 Current liabilities			
(a) Short-term borrowings	8	64,797,576	58,032,215
(b) Trade payables	9	38,990,369	41,871,573
(c) Other current liabilities	10	45,608,616	37,566,453
(d) Short-term provisions	11	4,611,792	3,048,197
TOTAL		310,889,745	246,862,233
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	12	70,461,317	64,222,868
Intangible assets	12	959,924	-
(b) Non Current Investments	13	1,107,175	1,107,175
(c) Long-term loans and advances	14	6,592,511	11,218,314
(d) Other non-current assets	15	14,681,537	5,688,152
2 Current assets			
(a) Inventories	16	54,674,840	12,836,540
(b) Trade receivables	17	103,415,782	123,462,338
(c) Cash and cash equivalents	18	6,571,401	4,998,396
(d) Short-term loans and advances	19	15,961,513	1,010,730
(e) Other current assets	20	36,463,745	22,317,721
TOTAL		310,889,745	246,862,233

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: 19.05.2016

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Neeharika Shukla

Company Secretary

PERFECT INFRAENGINEERS LIMITED

Statement of Consolidated Profit & Loss for year ended 31st March, 2016

Particulars	Note No.	31st March,2016 ₹	31st March,2015 ₹
I. Revenue from operations	21	178,020,804	254,403,175
Less: Excise Duty		895,339	-
Net Revenue from Operations		177,125,465	254,403,175
II. Other Income	22	7,308,678	7,962,606
III. Total Revenue (I + II)		184,434,143	262,365,781
IV. <u>Expenses:</u>			
Cost of Materials/Services Consumed	23	90,787,742	157,233,959
Employee benefits expense	24	40,637,401	44,453,235
Finance costs	25	16,069,101	13,913,289
Depreciation and amortization expense	12	6,988,412	6,890,152
Other expenses	26	20,014,655	23,020,483
Total Expenses		174,497,311	245,511,119
V. Profit before tax (III- IV)		9,936,832	16,854,662
VI. Tax Expense:			
(1) Current tax		2,570,000	4,225,000
(2) Deferred tax		903,387	444,510
(3) Excess Provision of Previous Year		541,242	(2,167)
		4,014,629	4,667,343
VII. Minority Interest		609	-
VIII. Profit (Loss) for the period (V-VI-VII)		5,921,595	12,187,319
IX. Earnings per equity share:	27		
Face value Rs.10 each			
- Basic and Diluted		0.98	2.39

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: 19.05.2016

Nimesh Mehta

Chairman & Managing Director

Manisha Mehta

Director- Finance

Neeharika Shukla

Company Secretary

PERFECT INFRAENGINEERS LIMITED

Particulars	Amount	
	FOR THE YEAR ENDED MARCH 31,2016	FOR THE YEAR ENDED MARCH 31,2015
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items after adsjuting minority interest:	9,936,832	16,854,662
Depreciation	6,988,412	6,890,152
Interest and Dividend Income	796,842	(563,198)
Profit on Sale of Investments		
Provision for doubtful advances		
Bad Debts w/off	480,454	2,172,468
(Profit)/Loss on sale of fixed assets	(4,518,577)	(4,106,598)
(Profit) on sale / redemption of Investments		
Unrealised Exchange (Gain)/Loss		
Employee Compensation Expenses under ESOP		
Provision for Gratuity	527,890	480,965
Provision for Deferred Tax	-	
Interest on Borrowings	16,069,101	13,913,289
Share Issue Expenes	689,503	
Operating Profit before Working Capital changes	30,970,457	35,641,740
Adjustments for:		
Inventories	(41,838,300)	35,142,287
Trade Receivables	19,566,101	(44,895,326)
Loans and advances	(10,324,980)	(5,743,400)
Other Current Assets	(12,556,560)	(13,591,497)
Other non current assets	(3,581,790)	(5,688,152)
Trade payables	(2,881,204)	7,932,200
Other current liabilities and provisions	8,448,969	(9,627,302)
Cash generated from Operations	(12,197,308)	(829,448)
Direct taxes received / (paid)	(4,173,397)	(2,224,303)
Cash Flow from Operating Activities	(16,370,704)	(3,053,751)
Extraordinary items:		
Extraordinary item	NIL	NIL
Net Cash from Operating Activities:	(A)	(3,053,751)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets \WIP\Capital Advance	(14,668,208)	(29,484,041)
Proceeds from Sale of Fixed Assets	5,000,000	4,990,000
Purchase of Investment		-
Sale proceeds from sale of shares		35
Interest and Dividend Income	(796,842)	563,198
Net cash generated from/(used in) investing activities	(B)	(23,930,808)

Particulars	FOR THE YEAR ENDED MARCH 31,2016	FOR THE YEAR ENDED MARCH 31,2015
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Equity issue	59,892,000	-
Increase/Decrease in Loans from Bank (Net)	(6,766,930)	39,292,249
Proceeds from Issue of Share Capital to Minority	-	6,000
Interest /Finance Charegs paid	(16,096,540)	(13,794,243)
Dividend Paid / Dividend Distribution Tax Paid	(1,999,668)	(6,728)
Share Issue Expenses	(7,690,562)	-
Fixed Deposit held with Bank as margin Money	(1,128,633)	2,487,933
Net cash received from/(used in) financing activities	(C)	27,985,212
Net increase in cash and cash equivalents	(A + B + C)	1,000,653
Cash and cash equivalents (Opening)	1,355,572	354,919
Cash and cash equivalents (Closing)	1,799,945	1,355,572
Cash and Cash equivalents as restated	729,485	1,355,572

(i) The above Cash Flow Statement has been prepared under the " Indirect Maetod" 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 Bhave & 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: 19.05.2016

Neeharika Shukla
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 Private Ltd	India	99.94% subsidiary of Perfect Infraengineers Limited	March 2016

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.

Notes to consolidated financial statements for the year ended 31st March, 2016

NOTE 2: SHARE CAPITAL

	31st March,2016		31st March,2015	
	Number	Amount (₹)	Number	Amount (₹)
2.1 Authorised				
Equity Shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
2.2 Issued, Subscribed & Paid up				
Shares at the beginning of the period	5,105,408	51,054,080	3,829,056	38,290,560
Add: Issued during the year	2,604,000	26,040,000	-	-
Add: Issued Bonus shares			1,276,352	12,763,520
Shares at the end of the period	7,709,408	77,094,080	5,105,408	51,054,080
2.3 Reconciliation of Number of Shares				
Outstanding at Beginning of the period	5,105,408		3,829,056	
Add: Issued during the year for Cash	2,604,000		-	
Add: Issued as Bonus Shares	-		1,276,352	
Less: Shares Bought back during the period	-		-	
Outstanding at the end of the period	7,709,408		5,105,408	
2.4 Aggregate Number of bonus shares issued, issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:				
Equity Shares allotted as fully paid bonus shares by capitalization of security premium and free reserves	3,699,685		2,715,205	
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	50.26%
Mrs. Manisha Mehta	2,415,832	31.34%	2,415,832	47.32%
India Opportunities Fund	438,000	5.68%	-	-

2.6 Terms /Rights attached to the Equity Shares

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

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

Note 3: RESERVES & SURPLUS**3.1 General Reserve**

Opening Balance	-	1,500,000
Add: Current Year Transfer	-	-
Less: Utilised for issue of Bonus Shares	-	(1,500,000)
Closing Balance	-	-

3.2 Security Premium

Opening Balance	-	2,812,770
Add: Addition during current year	33,852,000	-
Less: Utilised for issue of Bonus Shares	-	(2,812,770)
Closing Balance	33,852,000	-

3.3 Statement of Profit & Loss

Opening Balance	14,102,036	11,932,647
Add: Net Profit/(Net Loss) for the Period	5,921,594	12,187,320
	20,023,630	24,119,967
Less: Transferred to General Reserve	-	-
Less: Depreciation Adjustment (Refer Note No. 12.1)	-	338,227
Less: Utilised for issue of Bonus Shares	-	8,450,750
Less: Interim Dividend Paid	3,854,704	1,021,082
Less :Dividend Distribution Tax Paid	770,714	207,872
Closing Balance	15,398,212	14,102,036
	49,250,212	14,102,036

Note 4: LONG TERM BORROWINGS**(Secured)****Term Loan****- From Banks**

SIDBI (refer note 4.1 & 4.4)	7,216,000	10,354,000
ICICI Bank (refer note 4.2 & 4.4)	14,748,220	20,833,333

- From Others

Mahindra and Mahindra Finance (refer note 4.3 & 4.4)	152,081	242,195
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(Unsecured)**- From Banks**

Deutsche Bank (refer note 4.4)	-	2,671,435
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- From Others

Tata Capital Financial Services(refer note 4.4)	1,260,955	2,429,218
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23,377,256**36,530,181**

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 companies movable fixed assets;
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 Village Dasve ;
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.

OK UPDATED

4.4 Terms of Repayment - Holding Company

Nature of Facility and Rate of Interest	Mar 2017	Mar 2018	Mar 2019	Mar 2020
Loan from SIDBI @ 13%	882,000	882,000	882,000	588,000
Loan from SIDBI @ 16%	2,068,000	2,256,000	2,256,000	352,000
ICICI Bank - 8.35Lacs @ 12%	268,718	296,856	101,364	-
ICICI Bank - 250Lacs @ 12.75%	6,483,333	7,500,000	6,016,667	833,333
Deutsche Bank - 50 Lacs @ 13.65%	2,667,846	-	-	-
Loan from Mahindra & Mahindra @ 14%	90,114	104,085	47,996	-
Tata Capital Finance Services @ 17.19%	1,168,263	1,260,955	-	-

Note 5: DEFERRED TAX LIABILITIES (Net)

5.1 Deferred Tax Liability (A)

Depreciation/Adjustment

5.2 Deferred Tax Asset (B)

On account of Disallowance U/s. 43 B

31st March,2016

31st March,2015

3,607,684

2,714,146

(1,024,950)

(1,034,799)

2,582,734

1,679,347

Note 6: OTHER LONG TERM LIABILITIES

Deposits from Customers

31st March,2016

31st March,2015

183,050

183,050

183,050

183,050

Note 7: LONG TERM PROVISIONS**31st March,2016****31st March,2015**

Provision For Gratuity

3,316,991

2,789,101

3,316,991**2,789,101**

Gratuity payable is provided on Airthmatic basis considering Provisions of Payment of Gratuity Act, 1972, however the Company has not created any fund for payment of the same.

Note 8: SHORT TERM BORROWINGS**31st March,2016****31st March,2015**(Secured)

Loans repayable on demand

ICICI Bank (refer note 8.1)

60,598,226

53,655,129

60,598,226

53,655,129

(Unsecured)

Loans repayable on demand

Axis Bank (refer note 8.2)

4,199,350

4,377,086

4,199,350

4,377,086

64,797,576**58,032,215**

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

Note 9: TRADE PAYABLES**31st March,2016****31st March,2015**

Trade Payables-for Goods & Services

38,990,369

41,871,573

(Including acceptances)

38,990,369**41,871,573**

9.1

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

Note 10: OTHER CURRENT LIABILITIES

	31st March,2016	31st March,2015
Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4)	13,628,274	14,007,641
Interest Accrued but not due	91,607	119,046
Statutory Dues payable	1,067,861	2,772,070
Advance from Customers	10,272,765	14,266,082
Book Bank Overdraft	4,766,692	-
Employee Benefit Expenses payable	3,422,777	2,891,317
Unearned Revenue	1,716,910	2,090,122
Other payables	10,641,729	1,420,175
	45,608,616	37,566,453

Note 11: SHORT TERM PROVISIONS

	31st March,2016	31st March,2015
Interim Dividend Payable	3,854,704	1,021,082
Provision for Dividend Distribution Tax		207,872
Provision for Income Tax (Net of Advance Tax & TDS)	757,088	1,819,243
	4,611,792	3,048,197

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

Name Of Asset	Gross Block As on 1-Apr-14	Addition During the period	Deduction during the period	Gross Block As On 31-Mar-15	Depreciation Upto 1-Apr-14	Depreciation For the period	Transfer to Reserve	Depreciation Adjustment/ Deletion	Total Depreciation	Net Block As On 31-Mar-15	Net Block As On 31-Mar-14
<u>TANGIBLE ASSETS</u>											
<u>(a) Buildings</u>											
Office Buildings	11,111,929		1,514,369	9,597,560	2,053,567	409,612		630,959	1,832,220	7,765,340	9,058,362
Factory Building	-	35,867,700		35,867,700		2,744,616			2,744,616	33,123,084	-
Guest House	13,765,536		-	13,765,536	768,890	632,654		-	1,401,544	12,363,992	12,996,646
<u>(b) Plant & Equipments</u>											
Owned	786,294	110,960	-	897,254	316,623	103,116	2,030	-	421,769	475,485	469,671
Owned, Given on Hire	30,204,863	839,213	-	31,044,076	19,178,038	2,618,006	88,481	-	21,884,525	9,159,552	11,026,825
<u>(c) Furniture & Fixtures</u>	1,489,575	50,000		1,539,575	629,272	254,368	56,127	-	939,767	599,808	860,303
<u>(d) Vehicles</u>	2,588,002		-	2,588,002	1,887,449	212,245	4,084	145,711	1,958,067	629,935	700,553
<u>(e) Office Equipment</u>											
Office Equipment	297,372	37,517	-	334,889	209,225	44,866	44,036	-	298,127	36,762	88,147
Computer	1,686,807	70,884	-	1,757,691	1,528,931	19,225	143,469	2,845	1,688,780	68,910	157,876
<u>INTANGIBLE ASSETS</u>											
<u>(a) Software</u>	-	-	-	-	-	-	-	-	-	-	-
TOTAL	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

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 consolidated financial statements for year ended 31st March, 2016
Note: 12 TANGIBLE ASSETS & INTANGIBLE ASSETS (Current Year)

Name Of Asset	Gross Block As on 1-Apr-15	Addition During the period	Deduction during the period	Gross Block As On 31-Mar-16	Depreciation Upto 1-Apr-15	Depreciation For the period	Transfer to Reserve	Depreciation Adjustment/ Deletion	Total Depreciation	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	8,982,260	-	22,747,796	1,401,544	601,857		-	2,003,401	20,744,395	12,363,992
<u>(b) Plant & Equipments</u>											
Owned	897,254	1,878,795	-	2,776,049	421,769	94,665	-	-	516,434	2,259,615	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	60,150		1,599,725	939,767	222,416	-	-	1,162,183	437,542	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>	-	960,662	-	960,662	-	738	-	-	738	959,924	-
TOTAL	97,392,283	14,668,209	873,100	111,187,392	33,169,415	6,988,413	-	391,677	39,766,151	71,421,241	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 consolidated financial statements for the year ended 31st March, 2016

Note 13:	<u>NON CURRENT INVESTMENTS</u>	31st March,2016	31st March,2015
	Non Trade		
13.1	Quoted Investments		
	Investments in Equity Instruments		
	Hindustan Construction Company	520,048	520,048
	19,236 (19236) Shares of Rs. 10 each, fully paid		
	Investments in Mutual Funds		
	Kotak Select Fund	20,000	20,000
	2,000 Units (2,000 Units) of Rs. 10 each		
	Total Quoted Investments	540,048	540,048
	Aggregate Market Value of Quoted Investment	421,350	673,115
13.2	Unquoted Investments		
	Investments in Equity Instruments		
	The Thane Janata Sahakari Bank Ltd	500,005	500,005
	10,000 (10,000) Shares of Rs.50/- each, fully paid		
	Investment in Government Securities		
	National Savings Certificate	20,000	20,000
	Total Unquoted Investments	520,005	520,005
13.3	Other Investment : Gold Coin	47,122	47,122
		1,107,175	1,107,175

For basis of valuation refer note no. 7 of Significant Accounting Policy

Note 14:	<u>LONG TERMS LOANS & ADVANCES</u>	31st March,2016	31st March,2015
	Capital Advances (Refer Note No 19.1)	-	1,015,768
	Rent Deposits	1,096,222	1,472,222
	Deposit with suppliers	1,156,404	1,025,227
	Deposit with Tax Authorities	25,000	-
	Other Deposits	4,314,885	7,705,097
		6,592,511	11,218,314

Note 15:	<u>OTHER NON CURRENT ASSETS</u>	31st March,2016	31st March,2015
	(Unsecured Considered Good)		
	Retention with customers	8,016,464	4,434,674
	Advance tax and TDS (net of provision for tax)	-	-
	Miscellaneous Exp (to the extent not W/off) (Refer Note No. 1	6,665,073	1,253,478
		14,681,537	5,688,152

15.1 Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy.

Note 16:	<u>INVENTORIES</u>	31st March,2016	31st March,2015
	Stock of raw materials	30,221,795	4,203,742
	Stock of Spares and Components	19,470,288	8,432,798
	Work in Process	4,982,757	200,000
		54,674,840	12,836,540

For basis of valuation refer note no. 8 of Significant Accounting Policy

Note 17:	<u>TRADE RECEIVABLES</u>	31st March,2016	31st March,2015
	Trade Receivables		
	(Unsecured Considered Good)		
	Outstanding for a Period exceeding six months	36,873,161	32,539,404
	(From the due date of payment)		
	Others	66,542,621	90,922,933
		103,415,782	123,462,338

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.

PERFECT INFRAENGINEERS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2016

Note 18:	<u>CASH & BANK BALANCES</u>	31st March,2016	31st March,2015
	<u>Cash and cash equivalents</u>		
	Cash on hand	650,462	182,789
	<u>Balance with Banks</u>		
	Balances with banks	1,149,482	1,172,783
	<u>Other bank balances</u>		
	- Margin Money for Bank Guarantees*	4,771,457	3,642,824
		<u>6,571,402</u>	<u>4,998,396</u>

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

Note 19:	<u>SHORT TERMS LOANS & ADVANCES</u>	31st March,2016	31st March,2015
	(Unsecured Considered Good)		
	Advance to Suppliers	4,777,977	807,230
	Advance to Employees	473,500	203,500
	Other Deposits	5,202,036	
	Other Advances (Refer Note No. 19.1)	5,508,000	-
		<u>15,961,513</u>	<u>1,010,730</u>

19.1 Considering the current business scenario the company has decided not to procure machinery for which part advances of Rs. 5,08,000/- were made in an earlier year and accordingly the said capital advances are regrouped under Short Term Loans and Advances.

Note 20:	<u>OTHER CURRENT ASSETS</u>	31st March,2016	31st March,2015
	(Unsecured Considered Good)		
	Retention with customers	-	1,999,771
	Accured receivable	32,832,704	19,740,782
	Prepaid expenses	503,644	106,908
	Balance with Revenue Authorities	333,581	-
	Accrued Interest on NSC	3,622	1,700
	Other Receivable	1,054,886	322,716
	Miscellaneous Exp (to the extent not W/off)	1,735,308	145,844
		<u>36,463,745</u>	<u>22,317,721</u>

PERFECT INFRAENGINEERS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2016

Note 21:	<u>REVENUE FROM OPERATIONS</u>	31st March,2016	31st March,2015
	Trading/ Installation & Commissioning of AC	146,440,355	230,465,771
	Renting of Air Conditioners	8,124,234	8,940,712
	Sale of Services	14,253,992	14,941,192
	Sale of Electric Panels	6,884,169	-
	Other operating income	2,318,055	55,500
		<u>178,020,804</u>	<u>254,403,175</u>
	Less:		
	Excise Duty	895,339	-
		<u>177,125,465</u>	<u>254,403,175</u>

Note 22:	<u>OTHER INCOME</u>	31st March,2016	31st March,2015
	Interest Income from Bank Deposits	400,235	488,198
	Dividend Income	75,000	75,000
	Net gain on foreign currency transaction	410,862	72,484
	Profit on Sale of Fixed Asset	4,518,577	4,106,590
	Sundry provisions and credit balances no longer required, written off	1,337,892	3,163,301
	Profit/Loss on Shares	-	8
	Other non-operating income	1,636,571	57,025
		<u>8,379,138</u>	<u>7,962,606</u>

Note 23:	<u>COST OF MATERIALS / SERVICES CONSUMED</u>	31st March,2016	31st March,2015
	Opening Stock of Raw Material and WIP	12,836,540	47,978,828
	Purchases	119,207,587	110,353,855
	Labour	2,280,778	3,176,322
	Site expenses	10,480,798	8,561,494
	Other Manufacturing & Operating Expenses	656,880	-
	Less: Closing Stock of Raw Material and WIP	54,674,840	12,836,540
		<u>90,787,742</u>	<u>157,233,959</u>

Note 24:	<u>EMPLOYEE BENEFIT EXPENSES</u>	31st March,2016	31st March,2015
	Salaries, wages and bonus	38,668,466	42,888,510
	Staff Welfare Cost	384,643	-
	Contribution to provident and other funds	1,056,402	1,083,760
	Gratuity	527,890	480,965
		<u>40,637,401</u>	<u>44,453,235</u>

PERFECT INFRAENGINEERS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2016

Note 25:	<u>FINANCE EXPENSES</u>	31st March,2016	31st March,2015
	Interest paid to Banks	13,747,209	12,095,217
	Interest Paid to Others	189,194	331,485
	Other Borrowing Costs	2,132,698	1,486,587
		<u>16,069,101</u>	<u>13,913,289</u>

Note 26:	<u>OTHER EXPENSES</u>	31st March,2016	31st March,2015
	Auditor's Remuneration (Refre note no 26.1)	450,000	300,000
	Advertising and Sales Promotion	65,111	15,000
	Bad Debts	480,454	2,172,468
	Communication Costs	934,392	941,323
	Business Promotion expenses	-	512,873
	Discount	26,719	330,762
	Office Expenses	7,540	-
	Donation	-	1,500
	Insurance	115,801	159,349
	Legal & Professional Fees	1,211,666	909,190
	Books & Periodicals Subscriptions and Membership	29,565	69,349
	Miscellaneous Expenses	347,280	130,980
	Packing Expenses	10,050	3,470
	Power & Fuel	953,547	816,358
	Postage & Courier Charges	38,511	31,825
	Printing & Stationery	229,459	225,985
	Rent	1,180,379	2,038,196
	Rates & Taxes	225,941	63,333
	Repairs and Maintenace Expenses	1,017,840	1,655,537
	Security services	184,000	122,000
	Profession Tax-Company	7,000	-
	Indirect Taxes Paid	29,928	141,802
	Transportation charges	3,216,450	3,254,468
	Travelling & Conveyance	8,446,509	9,124,716
	Director Sitting Fees	110,000	-
	Share Issue Expenses W/off	689,503	-
	Miscellaneous Expenses w/off	7,010	-
		<u>20,014,655</u>	<u>23,020,483</u>

26.1 Payment to Auditor

Statutory Audit & Tax Audit	450,000	300,000
Other Matters (Refer Note no 26.2)	100,000	300,000
	<u>550,000</u>	<u>600,000</u>

26.2 Represents Fees for services related to IPO are considered under Issue Expenses, which are amortised over the period of 5 years.

26.3 Prior Period items

Expenses	31st March,2016	31st March,2015
Salaries, wages and bonus	-	2,317,753
Travelling & Conveyance	-	279,925
Rent	-	82,650
Repairs and Maintenace Expenses	-	182,155
Indirect Taxes Paid	-	133,675
Depreciation (Also refer note no 12.2)	-	(148,556)
	<u>-</u>	<u>2,847,601</u>

Prior period items are considered in the respective line items as stated above

PERFECT INFRAENGINEERS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2016

NOTE 27: **EARNINGS PER SHARE**

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

	31st March,2016	31st Mar 2015
Particulars		
Profit before Tax	11,007,292	16,854,662
Less :		
Provision for Tax, Deferred Tax & Minority Interest	4,014,629	4,667,343
Minority Interest	609	-
Profit after tax	6,992,055	12,187,320
Weighted Number of Shares (Nos.)	6,067,146	5,105,408
Basic & Diluted EPS	1.15	2.39

NOTE 28: **RELATED PARTY DISCLOSURES**

Related parties with whom transactions have taken place during the period

Key Management Personnel

Other Related Parties

Related Party Transactions :

Particulars	31st March,2016	31st March,2015
<u>Key Management Personnel</u>		
Remuneration to Directors	4,302,000	2,558,310
Sale to Proprietary Concern of Director	210,000	344,500
Purchase from Proprietary Concern of Director	184,096	425,419
Rent Paid	384,000	360,000
<u>Other Related Parties</u>		
Rent Paid	480,000	456,000
Salary Paid	300,000	-
<u>Outstanding Balances</u>		
<u>Key Management Personnel</u>		
Trade receivables	321,054	-
Rent Payable	-	51,000
Remuneration Payable	172,242	417,063

28.1 Silent features of Financial Statements of Subsidiaries as per Companies Act,2013

PERFECT INFRAENGINEERS LIMITED

Notes to consolidated financial statements for the year ended 31st March, 2016

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, 2016, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company.

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS

Description	31st March,2016	31st March,2015
CONTINGENT LIABILITIES		
Bank Guarantees	21,323,337	24,919,938
Disputed Sales tax liabilities for which appeals are pending (Amount deposited Rs.2,04,478/- (NIL))	1,287,881	-
COMMITMENTS		
Estimated amount of capital commitments not provided for (Net of Advances)	NIL	5,106,501

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

	31st March,2016	31st March,2015
Sale of Goods and Services	16,164,524	27,246,871

NOTE 32: VALUE OF IMPORTS (on CIF Basis)

	31st March,2016	31st March,2015
Purchase of Goods	-	6,286,800

NOTE 33: Operating Leases

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

NOTE 34: Segment Reporting

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

NOTE 35: During the 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 on the date of the balance sheet, which are utilised towards payment of outstanding issue expenses during the subsequent year.

NOTE 36: The Sale tax Authorities have carried out survey/search in respect of the Parent 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 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 Bhawe & Co.
Chartered Accountants
FRN : 114445W

Arvind S. Mahajan
Partner
M. No. 100483
Place: Mumbai
Date: 19.05.2016

Manisha Mehta
Director- Finance

Hyatt Hotel , Hampi



**Me Cure Healthcare Ltd, Lekki ,
Lagos, Nigeria**



Mumbai Metro One Pvt. Ltd.



Siemens Limited Thane



**Common Wealth Games,
Residential Complex**



**Institute of Chartered Accounts
of India, BKC, Mumbai**





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Perfect Infraengineers Ltd.

For being one of the Shining Stars of
Indian SME sector who have exhibited
exemplary growth and innovation



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