



ANNUAL REPORT 2019-20



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



SOL THERMAL
HYBRID CLIMATE SYSTEMS

CORPORATE INFORMATION

REGISTERED OFFICE	R 637 TTC Industrial Area MIDC Rabale, Navi Mumbai 400 701	GAZIABAD	G-12, Plot No 1, EDM Complex, Kaushambhi Gaziabad
CORPORATE OFFICE	168, Bhanushali Chambers, Sant Tukaram Road, Masjid Bandar (E), Mumbai - 400 009	EASTERN SUBURB	C/303, Kailash Esplanade, L.B.S. Marg, Ghatkopar (W), Mumbai - 400 086
DIRECTORS	Mr. Bhanu Pratap Singh Mr. Arun Kumar Singh Mr. Parth Nimesh Mehta Mrs. Gurinder Kaur	KEY MANAGERIAL PERSONNELS	
AUDIT COMMITTEE	Mr. Arun Kumar Singh Mr. Parth Nimesh Mehta Mrs. Gurinder Kaur Mrs. Manisha Mehta	CHIEF EXECUTIVE OFFICER	Mr. Nimesh Mehta
NOMINATION AND REMUNERATION COMMITTEE	Mr. Arun Kumar Singh Mr. Parth Nimesh Mehta Mrs. Gurinder Kaur	CHIEF FINANCIAL OFFICER	Mr. Manisha Mehta
STAKEHOLDER RELATIONSHIP COMMITTEE	Mr. Arun Kumar Singh Mrs. Gurinder Kaur Mrs. Manisha Mehta	COMPANY SECRETARY	*Mr. Pravesh Palod
AUDITORS	M/s JCR & Co, Chartered Accountant, Mumbai	REGISTRAR AND TRANSFER AGENTS	KFin Technologies Private Limited, Karvy Selenium Tower B , Plot number 31 & 32, Financial District Gachibowli, Hyderabad – 500 032
INTERNAL AUDITORS	M/s Thacker Butala Desai, Chartered Accountant, Mumbai		

Mr. Pravesh Palod has resigned from the position of Company Secretary w.e.f. October 17, 2020

DIRECTOR'S REPORT

Your Directors take pleasure in presenting the 24th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required however the report is based on standalone financial statements only.

1. FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Total Income (I)	5,50,49,792	10,44,45,965	5,10,79,700	10,91,79,405
Less: Expenditure	4,99,50,130	9,75,10,629	4,39,54,457	10,18,02,385
Less: Depreciation	48,01,822	52,58,625	53,39,657	62,52,263
Total Expenditure (II)	5,47,51,952	10,27,69,254	4,92,94,114	10,80,54,648
Profit Before Tax (PBT) (I-II)	2,97,840	16,76,710	17,85,586	11,24,757
Less: Tax expenses	-57,050	2,41,708	-1,82,863	4,29,650
Profit After Tax (PAT)	3,54,890	14,35,002	19,68,450	6,95,107

On a Standalone basis:

During the financial year under review, on a standalone basis, the Company recorded revenue of Rs. 5.5 Cr as against Rs. 10.44 Cr in the previous year. Net profit for the year stood at Rs. 3.54 Lacs as compared to 14.35 Lakhs in the previous year.

On a consolidated basis:

The company's revenue was at Rs. 5.10 Cr as against Rs. 10.91 Cr in the previous year and net profit amounted to Rs. 19.68 lakhs as compared to Rs. 6.95 lakhs in the previous year.

2. NATURE OF BUSINESS

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

3. TRANSFER TO RESERVE

The Board has not recommended any amount to transfer to General Reserve during the year 2019-2020.

4. DIVIDEND

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

5. SHARE CAPITAL

The paid-up share capital of the Company is Rs. 100,637,780/- divided into 1,00,63,778 equity shares of Rs. 10/- each as on March 31, 2020. Your Company has not come out with any issue (public, rights or preferential) during the year.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

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 consolidated financial statements form part of the Annual Report.

The Audited Financial Statements of the subsidiaries are also available on the website of the Company www.perfectinfra.com. As on 31st March, 2020, the Company has 1 subsidiary. The Company does not have any Associate Company pursuant to the provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial position of subsidiary is given in Form AOC-1 annexed as “**Annexure 1**” to this Report. The Company has framed a policy for determining material transaction with subsidiary.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions entered during the financial year under review were on an arm’s length basis and in the ordinary course of business. There were no transactions for which consent of the Board of Directors were required to be taken. As prescribed by Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts/arrangements with Related Parties are given in Form AOC-2, annexed as “**Annexure 2**” to this Report.

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

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

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

A) CONSERVATION OF ENERGY

i. Steps taken or impact on Conservation of Energy

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

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

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

iii. Capital Investments on energy conservation equipment

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

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

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

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. Payments in foreign currency towards Imports:

Imports at CIF Value	2019-20	2018-19
Raw Materials and Traded goods	Nil	Nil
Capital Goods	Nil	Nil

ii. Payments in foreign currency towards Expenditure:

Imports at CIF Value	2019-20	2018-19
Technical know-how fees (WIP)	3,56,76,345	1,03,62,524
Capital Goods	-	1,26,536
Travelling Expenses	5,44,694	-

iii. Earnings in foreign currency on Accrual basis:

Earnings in foreign currency	2019-20	2018-19
Exports – Products	19,82,405	-
Exports – Services	-	-

iv. Net Gain or Loss on Foreign Currency Translation

Description	2019-20	2018-19
Profit on Foreign Currency Translation	-	

10. ANNUAL RETURN:

Pursuant to the provision of Section 134(3)(a) of the Companies Act, 2013, the Annual Return referred to in Section 92 of the Companies Act, 2013 has been placed on the website of the company <http://www.perfectinfra.com>.

Extract of the annual return as prescribed under Section 92(3) of the Companies Act, 2013 is appended as “Annexure 3” which forms part of this Report.

11. RISK MANAGEMENT:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis.

12. INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS:

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

13. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a ‘Vigil Mechanism Policy’ which inter alia provides adequate safeguards against victimization of persons who may blow the whistle. Vigil Mechanism Policy may be accessed on the Company’s website [https:// www.perfectinfra.com](https://www.perfectinfra.com).

14. DIRECTORS’ RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. Such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2020 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The annual financial statements for the year ended March 31, 2020 have been prepared on a going concern basis;
5. Internal financial controls to be followed by the Company have been laid down and that the said financial controls were adequate and were operating effectively;
6. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and are operating effectively.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Composition of the Board of Directors:

Appointment and Re-appointment

During the year, Mr. Parth Mehta (DIN: 08458118) and Mr. Krishna Mehta (DIN: 08458633) were appointed by the Board of Directors in the Meeting held on May 24, 2019 as Additional Non-Executive Directors and were re-appointed as Non-Executive Director in the 23rd Annual General Meeting held on September 30, 2019 based on the recommendation of Nomination and Remuneration Committee and the Board.

Mr. Arun Kumar Singh (DIN: 07509685) and Ms. Gurinderkaur Tapindersingh Multani (DIN: 03036594) were appointed as Additional Non-Executive Independent Director in the Board Meeting held on November 14, 2019 and February 21, 2020 respectively. A resolution seeking shareholders' approval for their appointments forms part of the Notice.

Mr. Rashmikant M. Dave (DIN: 02672241) who was appointed as Additional Independent Director in the Board Meeting held on March 09, 2019 and the appointment was approved by the Shareholders' in the 23rd Annual General Meeting held on September 30, 2019.

The Board of Directors in the Meeting held on 14th March, 2020 changed designation of Mr. Bhanu Pratap Singh (DIN: 07182170), who was appointed as an Independent Director for 5 years in the 22nd Annual General Meeting held on September 27, 2018, to an Executive Director. A resolution seeking shareholders' approval for their appointment's forms part of the Notice.

Cessation of the Directors

During the year, Mr. Rashmikant M. Dave (DIN: 02672241) resigned as Director with effect from October 19, 2019, Mr. Vinay Raghunath Deshmukh (DIN: 07153755) resigned as Director with effect from October 24, 2019 and Mr. Krishna Mehta (DIN: 08458633) resigned as Director with effect from February 21, 2020.

Appointment of Key Managerial Personnel

During the year, Mr. Pravesh Palod (M. No. A57964) was appointed as Whole-Time Company Secretary in the Board Meeting held on November 30, 2019.

b. Committees of the Board:

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

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

c. Policy on Directors' Appointment and Remuneration:

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

d. Board Performance Evaluation Mechanism:

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

A meeting of the Independent Directors was held wherein performance of Non-Independent Directors, Chairman of the Board and of the entire Board was evaluated.

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

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

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

e. Familiarization Programme for Independent Directors:

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

f. Declarations from Independent Directors:

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

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

16. NUMBER OF BOARD MEETINGS:

During the year under review, 8 (Eight) Meetings of the Board of Directors of the Company were held viz on May 24, 2019, May 28, 2019, May 30, 2019, September 3, 2019, November 14, 2019, November 30, 2019, February 21, 2020 & March 14, 2020.

17. PARTICULARS OF EMPLOYEES:

The details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended 31st March, 2020, are given in “**Annexure 4**” to this Report.

18. AUDITORS:

STATUTORY AUDITORS:

At the 23rd Annual General Meeting of the Company held on September 27, 2018. M/s. JCR and Co., Chartered Accountants, (Firm Registration No. 105270W) were appointed as Statutory Auditors of the Company to hold office till the conclusion of Sixth Annual General Meeting. In terms of Section 139(1) of the Companies Act, 2013, the appointment of statutory auditors does not require ratification by the shareholders in Annual General Meeting.

AUDITORS' REPORT:

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

Sr. No.	Auditors Qualification /reservation /adverse remark /disclaimer	Managements Reply
Qualifications		
1.	The company in absence of any future outcome has not made any provision for doubtful debts for the cases filed with	The Company is positive about the outcome of the cases in its favour hence the management thought it

	NCLT	prudent not to create any provisions.
Other Comments		
1.	Company has many slow-moving items in inventory	Company is redesigning and remodelling its product hence there are slow moving items.
2.	Internal Audit reports for second half year ended were not available till our reporting	The report was delayed due to lockdown restriction and limited staff at the Auditors place. However, we have received the report now and there were no qualifications or adverse remark in the same.
3.	No written representation from the Directors stating that they are not disqualified from appointment as a Director as on March 31, 2020	The declarations from directors were not received due to COVID restrictions. However, the management has received the declarations and none of the Directors are disqualified from being appointed as Director of the Company.
4.	Asset tagging needs to be done as part of improvement and demarcation	The management will try to implement the asset tagging.
5.	No information about Inventory been physically verified by the management at reasonable intervals. system of review needs improvement.	The management is trying to establish a policy to ensure verification of inventory at reasonable interval.
Auditors Comment on Internal Financial Control		
1.	The control mechanism in respect of design of controls needs improvement.	The management is looking out for ways in which the design of control can be improved.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force)

SECRETARIAL AUDITOR:

M/s. Nilesh A. Pradhan & Co. LLP, Practising Company Secretaries was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2019-2020 as required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR-3 for the F.Y. 2019-20 is appended as “**Annexure 5**” to this Report. The following are the qualifications, reservations, adverse remarks mentioned in the Secretarial Audit Report and management reply against the same:

Sr. No.	Secretarial Auditors Qualification /reservation /adverse remark	Managements Reply
---------	---	-------------------

	/disclaimer	
1.	No Company Secretary /Compliance officer was appointed for the period 30th March, 2019 up to 30th November, 2019	The Company was searching for a suitable candidate but was not able to finalise one. In November 2019, the Company found Mr. Pravesh Palod as a suitable candidate to handle the compliances of a Listed Company
2.	There was delay in filing majority of forms as required to be filed under Companies Act, 2013	The delay was mainly due to no CS in the Company. We will try to file the forms on time from this year
3.	No woman Director on the Board with effect from 9th March, 2019 up to 21st February, 2020	Ms. Manisha Mehta was appointed as the Women Director but she got disqualified to act as a director in the matter of Accurate Aircon Private Limited due to which the vacancy was created. The Company has appointed Ms. Gurinderkaur Tapindersingh Multani as a women Director w.e.f. February 21, 2020.
4.	Delay in submission of certificate as required under Regulation 7(3) of the Securities and Exchange Board of India (LODR) Regulations, 2015	There were delay in quarterly compliances as there was no designated Company Secretary to look after the compliances
5.	Delay in submission of Investor Grievance Report under Regulation 13(3) of the Securities and Exchange Board of India (LODR) Regulations, 2015	There were delay in quarterly compliances as there was no designated Company Secretary to look after the compliances
6.	Delay in submission of disclosure under Regulation 30 of the Securities and Exchange Board of India (LODR) Regulations, 2015 with respect to the resignation of the independent Directors	There were delay in compliances under LODR due to no designated Company Secretary to look after the compliances
7.	Delay in submission of Shareholding Pattern as required under 31(1) (b) of the Securities and Exchange Board of India (LODR) Regulations, 2015 for the quarter ended 31st March, 2019	There were delay in quarterly compliances as there was no designated Company Secretary to look after the compliances
8.	Delay in submission of financial results as required under Regulation 33(3)(d) of the Securities and Exchange Board of India (LODR) Regulations, 2015 for the year ended	There were delay in quarterly compliances as there was no designated Company Secretary to look after the compliances. Also, since there was no CS to guide on the SEBI

	31st March, 2019 and the Company has not submitted the financial results as required under Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31st March, 2019	Circulars, the Company inadvertently filed the results in a different format.
9.	Delay in submission of Annual Report for the financial year ended 31st March, 2019 as required under Regulation 34(1) of the Securities and Exchange Board of India (LODR) Regulations, 2015	The Company missed the timeline due to no professional guidance as there was no compliance officer
10.	Delay in submission of certificate as required under Regulation 40(10) of the Securities and Exchange Board of India (LODR) Regulations, 2015 for the quarter ended 31st March, 2019	There were delay in quarterly compliances as there was no designated Company Secretary to look after the compliances
11.	Delay in submission of Reconciliation of share capital audit report as required under as per SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31st March, 2019	There were delay in quarterly compliances as there was no designated Company Secretary to look after the compliances

19. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT:

The Management Discussion and Analysis Report which forms part of this Report and is appended as “**Annexure 6**”.

20. SECRETARIAL STANDARDS:

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

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

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

22. MATERIAL CHANGES AND COMMITMENTS OCCURRED DURING APRIL 01, 2020 TILL THE DATE OF THIS REPORT WHICH WOULD AFFECT THE FINANCIAL POSITION OF YOUR COMPANY:

- a. In view of the lockdown measures imposed by the Central and State Governments due to CoVID-19 pandemic, the operations of office and manufacturing facilities of the Company came to a halt from 24th March, 2020 which has impacted the sales performance of the Company during April and May, 2020. The Company had implemented 'Work from Home' policy from 23rd March 2020, to the extent feasible, as per the Government directions.

The Company had partially resumed operations gradually, as per the permission granted by the respective local authorities with lesser number of workmen and employees after initiating all necessary safety measures.

The manufacturing facilities had also resumed with limited attendance from 1st June, 2020 however, as the Corporate Office of the Company is situated in Masjid Bandar which is hotspot from the beginning of the pandemic and still in the Containment Zone, resultant restricted movement of the people in the area. Also, the office is situated where the employees and other people can reach through public transports only, which was not available. The employees are working from home and will continue till the pandemic is under control.

- b. The Company has offered 10,00,000 equity shares at a price Rs. 26.79 per shares to Suntrac Solar Manufacturing LLC, USA (Foreign Collaborator) on a preferential basis for consideration other than cash to set off the remaining payment liability towards License fees. The Company has issued postal ballot notice dated 07th August, 2020 to seek approval of the shareholders and the same was approved vide results declared on 08th September, 2020.

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

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and company's operations. However, your Company was penalized for non-compliance/delay in compliance with certain provisions of the of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

24. DEPOSITS:

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, at the end of the financial year 2019-20. Your Company did not accept any deposits during FY20.

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

Sr. No.	Name of the Director from who has given loan	Amount (Rs.)
1.	Ms. Manisha Mehta	12,60,744
	Total	12,60,744

25. COST RECORDS:

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

26. CORPORATE SOCIAL RESPONSIBILITY:

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

27. GENERAL DISCLOSURE:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

28. ACKNOWLEDGEMENT:

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

FOR PERFECT INFRAENGINEERS LIMITED

Parth Mehta
Director
08458118

Bhanu Pratap Singh
Director
07182170

Date: November 14, 2020
Place: Mumbai

FORM AOC-1

Statement Containing Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint Venture

Part A: Subsidiaries

S. No	Particulars	Details
1	Name of the subsidiary	Perfect Control Panels Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR
4	Share capital	1,00,06,000
5	Reserves & Surplus	-1,01,081
6	Total assets	2,36,15,493
7	Total Liabilities	2,36,15,493
8	Investments	4,95,000
9	Turnover	80,65,185
10	Profit before taxation	3,40,663
11	Provision for taxation	3,75,550
12	Profit after taxation	7,16,214
13	Proposed Dividend	NIL
14	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. – NA

Part B: Associates and Joint Ventures – Not Applicable

For JCR & Co.
Chartered Accountants
FRN: 105270W

For and on behalf of the Board
PERFECT INFRAENGINEERS LIMITED

Mitesh D. Chheda
Partner
M. No.: 160688

Parth Mehta
Director
08458118

Bhnau Pratap Singh
Director
07182170

Manisha Mehta
CFO

Date: November 14, 2020

Place: Mumbai

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

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:
 No contracts or arrangements or transactions were entered into during the year ended March 31, 2020, which were not at arm's length basis.

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

Nature and Particulars of transactions	Name of Related Party/s	Nature of Relationship	Silent Terms	Amount of the Transaction
Purchase of Material	Perfect Control Panels Private Limited	Wholly owned Subsidiary Company	Purchase of Solar Hybrid Panel in the ordinary Course of Business	7640989
Sale of Goods	Perfect Control Panels Private Limited	Wholly owned Subsidiary Company	Sale of goods	5285306
Remuneration	Nimesh Natvarlal Mehta	Promoter (Holding more than 20% of the Share Capital of the Company)	Remuneration to Chief Executive Officer	29,50,800
Remuneration	Manisha Nimesh Mehta	Promoter (Holding more than 20% of the Share Capital of the Company)	Remuneration to Chief Financial Officer Officer	

For PERFECT INFRAENGINEERS LIMITED

Parth Mehta
Director
08458118

Bhanu Pratap Singh
Director
07182170

Date: November 14, 2020
Place: Mumbai

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2020

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	May 16,1996
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	KFin Technologies Private Limited Selenium Building, Tower B, Plot number 31 & 32, Financial District Gachibowli, Hyderabad – 500 032 Tel: +91 40 6716 1615 Website: www.karvyfintech.com SEBI Registration no. INR000000221

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	% to total turnover of the Company	NIC CODE
1	Trading/Installation & Commissioning of AC/Renting of Air conditions/sale of services/Manufacturing of Solar Hybrid Thermal Climate System	100 %	4322

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	5211024	10667	5221691	51.89	5251691	Nil	5251691	52.18	0.57
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1)	5211024	10667	5221691	51.89	5251691	Nil	5251691	52.18	0.57
(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 shareholding of Promoter (A) = (A)(1)+(A)(2)	5211024	10667	5221691	51.89	5251691	Nil	5251691	52.18	0.57

B. Public Shareholding									
Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	72000	Nil	72000	0.72	72000	Nil	72000	0.72	NIL
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	444000	Nil	444000	4.41	444000	Nil	444000	4.41	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	516000	Nil	516000	5.13	516000	Nil	516000	5.13	Nil
2. Non- Institutions									
a) Bodies Corp									
i) Indian	882317	Nil	882317	8.77	870268	Nil	870268	8.65	-1.37
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	1255392	6231	1261623	12.54	1274997	4675	1279672	12.72	1.43
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	2146814	23333	2170147	21.56	2122814	23333	2146147	21.33	-1.11
c) Others (Clearing Members, NBFC, NRIs)	12000	Nil	12000	0.13	Nil	Nil	Nil	Nil	-100
Sub-total (B)(2):-	4296523	29564	4326087	42.99	4268079	28008	4296087	42.69	-0.69
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4812523	29564	4842087	48.11	4784079	28008	4812087	47.82	-0.62

C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	9661468	402310	10063778	100	10035770	28008	10063778	100	0.00

* % change in shareholding during the Year is calculated as the difference between the start and end of the year divided by the shareholding at the beginning of the year so as to calculate the percent of Increase/ decrease during the year.

(ii) **SHAREHOLDING OF PROMOTERS**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the Year
PROMOTERS								
1	Nimesh Natvarlal Mehta	2633572	26.17	68.16	2645572	26.29	68.16	0.45*
2	Manisha Nimesh Mehta	2552832	25.37	46.33	2570832	25.55	46.33	0.71*
3	Sharmila Ramchandra Singh	18620	0.19	0	18620	0.19	0	Nil
4	Priti Bhanushali	10667	0.11	0	-	-	-	Nil#
5	Priti Jayant Bhanushali	6000	0.06		16667	0.17	0	Nil#
	TOTAL	52,21,691	51.89	0	52,51,691	52.18	57.03	17.32

* % change in shareholding during the Year is calculated as the difference between the start and end of the year divided by the shareholding at the beginning of the year so as to calculate the percent of Increase/ decrease during the year.

The point 4 & 5 has been merged as it belongs to a single person only.

(iii) **CHANGE IN PROMOTERS SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MANISHA NIMESH MEHTA				
	At the beginning of the year	2552832	25.37	2552832	25.37
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	Bought 18000 Shares in April 2019			
	At the End of the year	2570832	25.55	2570832	25.55
2	NIMESH MEHTA				
	At the beginning of the year	2633572	26.17	2633572	26.17
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	Bought 12000 Shares on 26/11/2019			
	At the End of the year	2645572	26.29	2645572	26.29

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MANAN RAJENDRA DOSHI HUF	491481	4.88	491481	4.88
2	SIDBI TRUSTEE COMPANY LIMITED A/C INDIA OPPORTUNITIES FUND	438000	4.35	438000	4.35
3	GITA KIRTI AMBANI	376000	3.74	376000	3.74
4	VINOD KUMAR JARIA	372000	3.70	372000	3.70

5	WEALTH 4 U CONSULTANTS PRIVATE LIMITED	370370	3.68	370370	3.68
6	PALLADIUM FINSERVE PRIVATE LIMITED	150000	1.49	186000	1.49
7	RAJIV MEHTA	90000	0.89	90000	0.89
8	ARCADIA SHARE AND STOCK BROKERS PVT LTD	90000	0.89	90000	0.89
9	ANSHUL GUPTA	78000	0.83	78000	0.83
10	UNION BANK OF INDIA	72000	0.72	72000	0.72

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	For Each KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Nimesh Natvarlal Mehta, CEO				
	At the beginning of the year	2633572	26.17	2633572	26.17
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Bought 12000 Shares on 26/11/2019			
	At the end of the year	2645572	26.29	2645572	26.29
2.	Mrs. Manisha Nimesh Mehta, CFO				
	At the beginning of the year	2552832	25.37	2552832	25.37
	Date wise Increase/ Decrease in Share Holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Bought 18000 Shares in April 2019			
	At the end of the year	2570832	25.55	2570832	25.55

V) INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT (In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount due	1060.54	97.9		1158.44
ii)Interest due but not paid				
iii)Interest accrued but not paid	7.1	-		7.1
Total(i+ii+iii)	1067.64	97.9	-	1165.54

Change in Indebtedness during the financial year				
· Addition	263.00			263
· Reduction		-0.3		
Net Change	263.00			
Indebtedness at the end of the financial year				
i) Principal Amount	1323.54	97.6		1435.84
ii) Interest due but not paid				
iii) Interest accrued but not due	12.6			12.6
Total(i+ii+iii)	1338.24	97.6		1448.44

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

A. Remuneration to Managing Director /Whole Time Director And /or Manager

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

B. Remuneration of Other Directors (Including Independent Director)

Sl. no.	Particulars of Remuneration Independent Directors	Name of Directors					Total Amount
		Bhanu Pratap Singh	Arun Kumar Singh	Gurinder Kaur	Rashmik ant M. Dave	Vinay Deshmukh	
1	Fee for attending board committee meetings	80,000	20,000	20,000	40,000	0	1,60,000

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CFO	CEO	CS	Total
		Mrs. Manisha Mehta	Mr. Nimesh Mehta	Mr. Pravesh Palod*	
1	Gross salary	13,20,000	15,60,000	1,80,000	
	(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				
	- as % of profit	0		0	0
	- others, specify...	0		0	0
5	Others, please specify	0		0	0
	Total				

* Appointed with effect from 30th November, 2019

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					

Penalty					
Punishment					
Compounding					
D. Other Officers in Default					
Penalty					
Punishment					
Compounding					

FOR PERFECT INFRAENGINEERS LIMITED

Parth Mehta	Bhnau Pratap Singh
Director	Director
08458118	07182170

Date: November 14, 2020
Place: Mumbai

PART-A

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2019-2020:

- i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2019–20, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2019–20 is as under:

Sr. No.	Name of Director/ KMP	Designation	Remuneration for F.Y. 2019-2020 (in Rs.)	% change (increase / decrease) during the year	Ratio of Remuneration of each Director/ to median remuneration of employee
1	*Mr. Bhanu Pratap Singh	Whole Time Director	40,000	NIL	
2	Mr. Nimesh Mehta	Chief Executive Director	15,60,000	NIL	19.5
3	Mrs. Manisha Mehta	Director	13,20,000	NIL	16.5
4	#Mr. Pravesh Palod	Company Secretary	1,80,000	NIL	2.25

*The designation of Mr. Bhanu Pratap Singh was changed from Independent Director to Whole Time Director w.e.f. March 14, 2020. The Board has approved a remuneration of Rs. 10,00,000 per annum to Mr. Singh.

#Mr. Pravesh Palod was appointed w.e.f. November 30, 2019 hence his remuneration is mentioned proportionately.

- ii. The median remuneration of employees of the Company for the Financial Year was Rs. 80,000.
- iii. There was no increase in the median remuneration of employees in the Financial Year.
- iv. There were 50 permanent employees on the rolls of the Company as on March 31, 2020.
- v. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 19-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof – There is no increase in the managerial remuneration in the FY 19- 20.
- vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

PART-B

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2019-2020:

Sr. No.	Name of Employee	Age	Qualification	Date of commencement of employment	Designation	Experience	Remuneration	Equity shares held
1.	Manish Chaturvedi	42	BA	27.07.2001	Manager	19	600000	5000
2.	Zia Ahmed	52	GRADUATE	15.12.2010	Marketing	10	600000	5000
3.	Pravesh Palod	27	CS	25.11.2019	CS	1	540000	-
4.	Rahul Gorky	48	BA	01.08.2000	Marketing	20	504000	-
5.	Babita Koli	35	BE TECH	02.05.2017	Engineer	3	420000	-
6.	Girija Vinod Patel	44	B. Com	16.03.2006	HR	14	390000	5000
7.	Malik Qureshi Sharafat Ali	30	DIPLOMA IN MECHANICAL ENG	15.03.2015	Estimation	6	264000	-
8.	Pravin Pralhad Kapande	36	T.Y.B.com	29.05.2015	Branch Head	5	252000	-
9.	Sugandha Vilas Naik	30	M.Com	15.03.2015	Account	8	240000	-
10.	Sujata Devadiga	40	T Y.B.COM	07.12.2017	Account	3	240000	-

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

FOR PERFECT INFRAENGINEERS LIMITED

Parth Mehta
Director
08458118

Bhanu Pratap Singh
Director
07182170

Date: November 14, 2020

Place: Mumbai

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and submitted for verification through electronic mode and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') 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 and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(Not Applicable as the Company has not issued any further share capital during the year;
- 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 and Listing of Debt Securities) Regulations, 2008(Not Applicable);
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not Applicable);
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

We 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.
- (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. subject to the following:

1. The Company was not having Company Secretary /Compliance officer for the period 30th March, 2019 up to 30th November, 2019 as required under the provisions of Section 203 of the Companies Act, 2013 and Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. There was delay in filing majority forms as required to be filed under the provisions of the Companies Act, 2013 with the Ministry of Corporate Affairs.
3. There was no woman Director on the Board with effect from 9th March, 2019 up to 21st February, 2020 as required under the provisions of Section 149 of the Companies Act, 2013.

4. There was delay in submission of certificate as required under Regulation 7 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31st March, 2019.
5. There was delay in submission of Investor Grievance Report under Regulation 13(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30th June, 2019.
6. There was delay in submission of disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the resignation of the independent Directors.
7. There was delay in submission of Shareholding Pattern as required under 31(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31st March, 2019.
8. There was delay in submission of financial results as required under Regulation 33 (3) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2019 and the Company has not submitted the financial results as required under Regulation 33 (3) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31st March, 2019.
9. There was delay in submission of Annual Report for the financial year ended 31st March, 2019 as required under Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. There was delay in submission of certificate as required under Regulation 40(10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31st March, 2019.
11. There was delay in submission of Reconciliation of share capital audit report as required under as per SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31st March, 2019.

We 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 except as mentioned hereinabove. There was change in the composition of the Board of Directors during the period under review 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, 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.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors of the Board as the case may be.

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

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

- i) Right Issue | Preferential issue of shares | issue of debentures | issue of sweat Equity.
- ii) Redemption | Buy-back of securities.
- iii) Major decisions taken by the Members in pursuance to Section 180 of the Act.
- iv) Foreign Technical Collaborations.

We further report that during the audit period:

The Company has received notices from the National Stock Exchange of India Limited for Non-compliance of Regulation 6 (1), Regulation 34, Regulation 42 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018. The Company has applied for waiver of penalty imposed in the notices as mentioned above.

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

For Nilesh A.Pradhan & Co., LLP
Company Secretaries

Prajakta V.Padhye
Partner
FCS: 7478
CP: 7891
PR: 791/2020
UDIN: F007478B001230623

Date: 14th November, 2020

Place: Dombivali

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

ANNEXURE –I

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believed that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Dombivali

Date: 14th November, 2020

For Nilesh A. Pradhan & Co., LLP
Company Secretaries

Prajakta V. Padhye
Partner
FCS: 7478
CP: 7891

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

After two challenging years, this year started on a positive note and industry gained robust growth in revenue and profitability. In 2019, nationwide heatwave and delayed monsoon helped the industry in reviving after a long wait. Southern and Central parts of the country witnessed highest traction followed by North India.

Other key growth drivers were, surging purchasing power of people, increase in construction activities and Government initiatives aimed at improving energy efficiency as well as enormous production of energy at domiciles from renewable sources. Increasing number of high-rise buildings, spread of hypermarkets, shopping complexes and malls in small towns and smart city projects further fuelled this growth. Wider digital reach and growth of online sales channels in India also contributed to the growth of this category. As per GFK Nielsen data, AC category witnessed 43 percent growth through online sales channels during Jan-2019 to May-2019 which is expected to grow further in the upcoming years.

Inspite of having a great year for the industry, the lockdown in March 2020, brought the industry to a standstill and right from consumer demand to supply chain, managing inventory, and logistics, both residential and commercial air conditioning segments experienced the worst shockwave. The nation-wide lockdown severely impacted the revenue resulting in a 2 percent drop over last year. The global pandemic also presented a variety of challenges and opportunities resulting in the emergence of new trends throughout the industry.

BUSINESS STRATEGY & OUTLOOK

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

- **Focus on HVAC Contracts & Hybrid Thermal System Business:** We intend to continue our focus on our core expertise of MEP projects execution. The company will focus on fewer and larger projects (mostly Government projects). The company is creating a dealer network and training them to sell Hybrid Thermal System. Company has also registered Solar Thermal Panel with various consultants and there is a cautious approach from consultants and the acceptance is fairly good. Government Consultants have initiated use of this Hybrid Thermal System at tender level in new and upcoming projects.
- **Registration in Government sectors:** The product has been accepted well in PWD, Maharashtra. Encouraging results at test site has resulted in good level of inquiry from PWD, Maharashtra. The company plans to repeat this procedure in the State of Madhya-Pradesh and Gujarat. CPWD & CIDCO has indicated their positive response for a new system and shall complete the registration process within the next month.
- **Entry into manufacturing:** Through our subsidiary Perfect Control Panels Pvt. Ltd we have ventured into manufacturing of Solar thermal panels. This complements our contracting business

which involves supply and installation of HVAC and Hybrid Thermal systems.

- Geographical reach: HVAC markets have shown increased growth with many projects coming up in Government sectors. We are cautiously expanding in various states of India.

NEW PRODUCT

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

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

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

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

- SOL Thermal System Details

Groundbreaking technology has changed the way solar thermal energy is harvested and implanted. The Patented computer-controlled parabolic concentrator produces more energy than any other panel of the same size. This technology has solved two major issues with solar thermal panels; degradation and stagnation.

Perfect Provides ready to install complete systems with solar collector with pre-installed smart controls. The Smart Panel has provided the solutions by controlling the heat that the solar thermal panels generate. The patented panel design utilizes RiteTemp™ technology which modulates the temperature of the liquid or gas as it exits the panel. The solar option is equally innovative offering up to 40% energy savings with as little as a 4*8 Panel. SOL Thermal system is able to deliver a COP of more than 6.

The product was later tested by Intertek, which is a UK based company that specializes in testing, inspecting and certifying products. It provides Total Quality Assurance to industries worldwide. Intertek has certified that our new product saves up to 40% energy. The product was also tested by entities like Mantralaya (PWD) and Siemens Limited. These entities have given a report stating that the said product saves at least 30% energy.

The Company has joined hands with various dealers and has subsequently obtained few strategic businesses for sale of our new product. The Company is registered in GRIHA (Green Rating for

Integrated Habitat Assessment) in two categories i.e. Solar Thermal Panel and Hybrid Thermal System.

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

Hybrid Thermal System- It includes:

a) Indoor units as per the site requirement.

b) Modified VRV outdoor units.

c) Solar Thermal Panel; when all these units are interconnected as per the design, it will be termed as Hybrid Thermal System.

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

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

RISK & CONCERNS

- **Effect of Lockdown imposed due to CoVID-19 Pandemic:** In view of the lockdown measures imposed by the Central and State Governments due to CoVID-19 pandemic, the operations of the Company came to a halt for a long time and were shut down during the lockdown period. Due to unpredictable situation evolving on account of pandemic, it is difficult to estimate the definite impact of CoVID-19 on the operations of the Company. The disruption caused by Covid-19 and the resultant lockdown has impacted the sales performance and cash flows. The revenues and profitability of the Company were adversely impacted.
- **Slower Economy:** This year has resulted in demand moderation of HVAC systems and has given growth of 20 % this summer, however, increased cost of living has led to a greater emphasis on energy savings. The global economic recovery has been sluggish especially in the US and Europe regions. This coupled with reduced incomes and higher energy bills have impacted the growth.
- **Increased Government focus on energy conservation:** Current Government is keen on pushing energy conservation agenda, via promoting energy-efficient appliance. LED lights, energy-efficient Fans, efficient air-conditioners, etc. High emphasis is observed on measuring and reporting of energy consumption at an increasingly granular level. Private industries are also very keen to monitor energy utilization, is also due to the fact that the energy consumption level in the HVAC appliances is comparatively higher. This has remarkably increased awareness for efficient air conditioners.
- **Cost reduction via preventive maintenance and remote diagnostics:** HVAC systems are among the largest consumers of energy, indicating that these systems can be the source of good savings if the overall performance is increased and the faults are detected on time. Cost savings can be achieved. Most of the air conditioners manufacturers are pressing hard for inverter ac sales.

- **Push towards Green Energy:** Cost of electricity is on the rise internationally especially in UAE where electricity was highly subsidized by Government. Due to withdrawal of this subsidy, cost has increased drastically. This has made an overall sentiment for the need of more and more energy-efficient machines. Environmental factors like ozone depletion and global warming and available innovative renewable energy options have resulted in an increased push for solar products.
- **Consumer demand:** The pandemic has certainly impacted the overall consumption trend and consumer spending. Discretionary spending has been hit hard as the entire country is sitting at home. Consumers can't go out and spend like they used to. Even after the lifting of lockdown, consumer will be in a reactive mood, pushing sales of selective categories. For individuals, a healthy, safe and comfortable environment will become the top-most priority. Spending will go up in these areas boosting demand for air conditioners as well.
- **Labour shortage:** Labour shortage is going to be a big challenge for manufacturing as a majority of migrant labours have returned to their hometowns amid the lockdown enforced in the country. Availability of service technicians has been a challenge.
- **Seasonality business:** The Company's AC and AC components businesses are highly dependent on summer. Its demand goes down during monsoon and winter. Changes in weather conditions like unusually heavy monsoons or cooler summers can impact the Company's margins.

Company's Strengths

- **Brand Presence:** 'Perfect Infra' represents a brand in the market we operate in. Our service offerings coupled with technical know-how, execution capabilities and track record of over a decade has provided us with brand recognition and credibility. Our recognition and acceptance have 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 various sectors. Such complexity includes geographical expansions, procurement planning, human resource management, etc. We are also one of the few companies approved by the 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, Chief Executive Officer, Mr. Nimesh Mehta, who is a mechanical engineer, has experience of more than 22 years in the HVAC industry and is well acquainted with the dynamics of the industry. In addition, the middle management team, skilled workforce, and marketing personnel provide the company with the depth needed to manage new business areas.
- **Overseas Presence:** Perfect Infra has executed projects in geographies outside India such as Nigeria and Tanzania. We have already completed projects for companies in the pharmaceutical and medical diagnostic sectors at these countries. We continue to focus on these areas and use valuable contacts to promote solar thermal panels.

- **Panel manufacturing unit:** The company's wholly-owned subsidiary viz. Perfect Control Panels Pvt. Ltd has set up a facility for manufacturing/assembly of solar Thermal panel. Panels required for SOL Thermal energy climate Systems. This facility would ensure low cost and timely delivery in the projects we execute, thereby leading to increased profitability for our company in the years to come. The Company has successfully completed trial production of Solar Thermal Panel and has also completed indigenization for all components of this solar panel.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCE

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

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

Financial Ratios

Financial Ratios	Formula	Ratio
Debtors Turnover	Sales/Trade receivables	0.65
Interest Coverage Ratio	EBITD/Interest	1.39
Current Ratio	Current Assets /Current Liabilities	2
Debt Equity Ratio	Total Liabilities/ Total Shareholders' Equity	0.78
Net Profit Margin	Net Profit/ Revenue	0.006
Return on Net Worth	Net Profit/ Shareholders' Equity	0.002



INDEPENDENT AUDITOR'S REPORT

To the Members of PERFECT INFRAENGINEERS LIMITED Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PERFECT INFRAENGINEERS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its statement of Profit & loss, of the profits and its cash flows for the year ended on that date.

We draw your attention to Note 30.3B which describes that the company in absence of any future outcome has not made any provision for doubtful debts for the cases filed with NCLT.

Our opinion is modified for this matter.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 33 to the Statement, which describes the uncertainty caused by Covid-19 pandemic and the assessment made by the management on its business and financials. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

We draw your attention to Note 4 to the Statement, whereby it describes that the Company has availed moratorium on its existing loan facilities.

The balances in Trade Receivables and Trade Payables are subject to confirmation.

Due to the Covid-19 related lockdown, we were unable to observe the Management's year-end physical verification of inventory amounting to Rs.7.25 crores. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items". We observed that company has many slow moving items in inventory.

The internal Audit reports for second half year ended were not available till our reporting.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon

Other Matters

The Company has opted for the reduced tax rate of 22% as per newly inserted section 115BAA of the Income Tax Act, 1961 during the year ended March 31, 2020, subject to the condition that the company will not avail certain deductions/exemptions.

The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the Company's Management and relied upon by us because the Covid-19 had induced restrictions on physical movements.

Our opinion is not modified in respect of this matter.

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, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. We have not received the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors so as to comment that none of the directors are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls 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 does not have any pending litigations which would impact its financial position except those mentioned in notes to accounts to the financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For JCR & Co
Chartered Accountants
FRN- 105270W

MITESH Digitally signed
by MITESH
DAMJI DAMJI CHHEDA
CHHEDA Date: 2020.09.19
14:56:09 +05'30'

Mitesh Chheda
Partner
Mem. No. 160688

Date: 19th Sept, 2020
Place: Mumbai
UDIN: 20160688AAAADW3576

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 1 of our Report of even date to the Members of PERFECT INFRAENGINEERS LIMITED on the Standalone Financial Statements of the Company for the year ended 31st March, 2020.

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

(i). In respect of Company’s Fixed Assets:

- (a). The Company has maintained records showing full particulars, including quantitative details and the situation of Fixed Assets. However, asset tagging needs to be done as part of improvement and demarcation.
- (b). The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c). According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds comprising the immovable properties are held in the name of the Company. However, we could verify only the photocopies as original title deeds for most of the properties were lying with the bank as collateral securities.

(ii). We do not have information about the Inventory been physically verified by the management at reasonable intervals. Please refer to emphasis of matter in main audit report We suggest, the system of review needs improvement.

(iii). According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms, limited liability partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Hence, the provisions of Clause(iii) of the Order are not applicable.

(iv). According to the information and explanations given to us and the records examined by us, the company has not granted any loans during the year covered under Sections 185 & 186 of the Act. Investments made by the Company are in compliance with the provisions of Section 186 of the Act.

(v). According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year covered under Sections 73 to 76 of the Act.

(vi). According to the information and explanations given to us, maintenance of Cost Records has not been prescribed by the Central Government under Sub-section (1) of Section 148 of the Act.

(vii). According to the information and explanations given to us in respect of Statutory Dues:

- (a). According to the information and explanations given to us and based on the records of the Company examined by us, except for Rs.42.89 Lakhs due towards TDS, PT and GST (Details provided below), the company is regular in depositing the undisputed Statutory Dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Custom Duty, Value Added Tax, Cess and any other material Statutory Dues to the extent applicable with appropriate authorities in India.

Details of Statutory Dues outstanding as on 31.03.2020:

Particulars	Amount (Rs.)
TDS	2,95,325
GST	38,53,191
Professional Tax	1,40,375
Total	42,88,891

The above amounts are excluding of interest on delay and penal interest/late fee.

- (b). According to the information and explanations given to us and based on the records examined by us, there are no dues in respect of Income Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited on account of any dispute.
- (c). Details of dues of Central Sales Tax and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

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

- (viii). The company has availed sanctioned soft loan of Rs. 750 Lakhs from Government (Technology Development Board), out of which Rs. 263 lakhs have been received during the year and Rs.187 Lakhs were received in the previous year. But no amount was raised through the Debentures. On the basis of our examination of records, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix). Based on our audit procedures and according to the information given to us by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan (except mentioned above) during the year. Hence, the provisions of Clause(ix) of the Order are not applicable.
- (x). During the course of our examination of the books and records of the Company carried in accordance with the Auditing Standards generally accepted in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year not have been informed of any such instance by the Management.
- (xi). According to the information and explanations given to us, the managerial remuneration paid is in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Hence, the provisions of Clause (xii) of the Order are not applicable.
- (xiii). According to the information and explanations given to us, the transactions entered with related parties are in accordance with the provisions of Section 177 of the Act where applicable and the details of related party transactions have been disclosed in the Standalone Financials Statements as required by the applicable accounting standards.

- (xiv). According to the information and explanations provided to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Clause (xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv). According to the information and explanations given to us, the Company has not entered into non-cash transactions with the Directors or persons connected with him and hence the provisions of Clause (xv) are not applicable to the Company.
- (xvi). According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For JCR & Co
Chartered Accountants
FRN- 105270W

MITESH Digitally signed
by MITESH
DAMJI DAMJI CHHEDA
CHHEDA Date: 2020.09.19
14:56:47 +05'30'

Mitesh Chheda
Partner
Mem. No. 160688

Date: 19th Sept, 2020
Place: Mumbai

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **PERFECT INFRAENGINEERS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following significant weakness has been identified as at 31st March, 2020:

(a). The control mechanism in respect of design of controls needs improvement.

In our opinion, except for the possible effects of the significant weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financials controls over financial reporting were operating effectively as of 31st March, 2020, based on "The internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For JCR & Co
Chartered Accountants
FRN- 105270W

MITESH Digitally signed
by MITESH
DAMJI DAMJI CHHEDA
CHHEDA Date: 2020.09.19
14:57:26 +05'30'

Mitesh Chheda
Partner
Mem. No. 160688

Date: 19th Sept, 2020
Place: Mumbai

PERFECT INFRAENGINEERS LIMITED
Standalone Balance Sheet as on 31st March,2020

Amount in Rs.

Particulars	Note no.	As at 31st March,2020	As at 31st March,2019
I EQUITY & LIABILITIES			
EQUITY			
(a) Share capital	2	10,06,37,780	10,06,37,780
(b) Other Equity	3	10,06,34,753	10,02,79,863
© Application money received pending allotment	3	2,67,95,615	-
LIABILITIES			
Non-current liabilities			
(a) Long-term borrowings	4	5,47,60,744	2,84,90,434
(b) Deferred tax liability (net)	5	22,27,484	23,52,680
(c) Other long - term liabilities	6	87,550	1,83,050
(d) Long-term provisions	7	8,80,738	13,01,488
Current liabilities			
(a) Short-term borrowings	8	8,88,24,012	8,73,54,109
(b) Trade payables	9	2,13,11,536	2,55,43,643
(c) Other current liabilities	10	97,46,006	1,36,06,644
(d) Short-term provisions	11	10,47,998	17,32,743
TOTAL EQUITY & LIABILITIES		40,69,54,215	36,14,82,433
II. ASSETS			
Non-current assets			
<u>(a) Property, Plant and Equipments</u>			
Tangible assets	12	4,36,66,424	4,51,26,962
Intangible assets	12	16,99,967	80,180
Capital Work In Progress	12	8,89,45,693	5,40,64,027
(b) Non Current Investments	13	1,00,93,122	1,00,93,122
(c) Long-term loans and advances	14	97,59,897	94,82,460
(d) Other non-current assets	15	13,38,063	26,71,791
Current assets			
(a) Inventories	16	7,25,26,933	6,86,50,751
(b) Trade receivables	17	8,39,83,001	6,54,37,694
(c) Cash and bank balances	18	45,93,381	66,52,861
(d) Short-term loans and advances	19	1,15,52,239	1,28,87,586
(e) Other current assets	20	7,87,95,497	8,63,35,000
Assets held for sale		-	-
TOTAL ASSETS		40,69,54,215	36,14,82,433

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

For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688

Bhanupratap Singh
Director
DIN No: 07182170

Parth Mehta
Director
DIN 08458118

Place: Mumbai
Date: 19th September 2020

Manisha Mehta
CFO



PERFECT INFRAENGINEERS LIMITED
Standalone Statement of Profit & Loss for year ended 31st March, 2020

Amount in Rs.

Particulars	Note No.	31st March,2020	31st March,2019
I. Revenue from operations	21	5,43,19,909	10,08,50,597
II. Other Income	22	7,29,884	35,95,367
III. Total Revenue (I + II)		5,50,49,792	10,44,45,965
IV. <u>Expenses:</u>			
Cost of Materials/Services Consumed	23	2,45,12,055	5,63,34,265
Employee benefits expense	24	46,64,575	1,02,39,694
Finance costs	25	1,33,02,211	1,80,80,818
Depreciation and amortization expense	12	48,01,822	52,58,625
Other expenses	26	74,71,289	1,28,55,853
Total Expenses		5,47,51,952	10,27,69,254
V. Profit before tax (III- IV)		2,97,840	16,76,710
VI. Tax Expense:			
(1) Current tax		68,146	4,18,622
(2) Deferred tax Liability /(Asset)		(1,25,196)	(1,76,914)
(3) Excess Provision of Previous Year			
		(57,050)	2,41,708
VII. Profit (Loss) for the period (V-VI)		3,54,890	14,35,002
VIII. Earnings per equity share:			
Face value of Rs. 10 each			
-Basic and Diluted		0.04	0.15

Significant Accounting Policies

Notes form an integral part of the financial 2 to 37

For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688

Bhanupratap Singh
Director
DIN No: 07182170

Parth Mehta
Director
DIN 08458118

Place: Mumbai
Date: 19th September 2020

Manisha Mehta
CFO



PERFECT INFRAENGINEERS LIMITED
Audited Standalone Cashflow Statement for the year ended 31st March,2020

Particulars	FOR THE YEAR ENDED MARCH 31,2020	FOR THE YEAR ENDED MARCH 31,2019
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items:	2,97,840	16,76,710
Depreciation	48,01,822	52,58,625
Interest Income	(3,05,463)	(2,15,893)
Provisions and credit Balances written back	(2,47,901)	(11,86,469)
Discount	-	(10,713)
(Profit)/Loss on sale of fixed assets	-	-
Excess Provision written off	-	(15,82,292)
Other Adjustments	-	58,31,688
Interest on Borrowings	1,33,02,211	1,80,80,818
Share Issue Expenses W/off	17,63,536	17,63,536
Operating Profit before Working Capital changes	1,96,12,045	2,96,16,009
Adjustments for:		
Inventories (Increase) / Decrease	(38,76,182)	(1,58,89,792)
Trade Receivables (Increase)/Decrease	(1,85,45,307)	39,76,606
Loans and advances (Increase) /Decrease	10,57,911	19,99,170
Other non current assets and Current Assets (Increase)/Decrease	71,09,695	3,30,470
Trade payables Increase / (Decrease)	(42,32,107)	88,99,172
Other current liabilities and provisions Increase/ (Decrease)	(51,04,233)	(1,89,64,050)
Cash generated from Operations	(39,78,178)	99,67,585
Direct taxes received / (paid)	(31,854)	(51,67,405)
Net Prior Year adjustments	-	-
Cash Flow from Operating Activities	(40,10,032)	48,00,180
Extraordinary items:		
Extraordinary item	-	-
Net Cash from Operating Activities: (A)	(40,10,032)	48,00,180
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	-	-
Purchases of Fixed Assets \WIP\Capital Advance	(1,27,86,383)	(1,06,58,618)
Proceeds from Sale of Fixed Assets	-	-
Interest Income	3,05,463	2,15,893
Net cash generated from/(used in) investing activities (B)	(1,24,80,920)	(1,04,42,725)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Fresh Issue	-	1,67,00,013
Increase (Decrease) in Unsecured Loans	(29,690)	(1,39,68,439)
Increase/(Decrease) in Loans from Bank TDB	2,63,00,000	1,87,00,000
Increase/(Decrease) in Long Term Borrowings	-	(19,55,180)
Increase/(Decrease) in Short Term Borrowings	14,69,903	(6,27,706)
Interest /Finance Charges paid	(1,33,02,211)	(1,80,80,818)
Dividend Paid / Dividend Distribution Tax Paid	-	-
Share issue Expenses	-	17,63,536
Fixed Deposit held with Bank as margin Money	11,03,923	24,44,483
Net cash received from/(used in) financing activities (C)	1,55,41,925	49,75,889
Net increase in cash and cash equivalents (A + B + C)	(9,49,027)	(6,66,656)
Cash and cash equivalents (Opening)	(5,36,984)	1,27,085
Cash and cash equivalents (Closing)	(14,92,542)	(5,36,984)

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

For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688

Place: Mumbai
Date: 19th September 2020

Bhanupratap Singh
Director
DIN No: 07182170

Parth Mehta
Director
DIN 08458118

Manisha Mehta
CFO



PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2020

NOTE 2: SHARE CAPITAL

31st March,2020

31st March,2019

2.1 Authorised

Equity Shares of Rs. 10 each	1,30,00,000	13,00,00,000	1,30,00,000	13,00,00,000
------------------------------	-------------	--------------	-------------	--------------

2.2 Issued, Subscribed & Paid up

Shares at the beginning of the period	1,00,63,778	10,06,37,780	94,45,259	9,44,52,590
Add: Issued during the year	-	-	6,18,519	61,85,190
Add: Issued Bonus shares	-	-	-	-
Shares at the end of the period	1,00,63,778	10,06,37,780	1,00,63,778	10,06,37,780

2.3 Reconciliation of Number of Shares

Outstanding at Beginning of the period	1,00,63,778	94,45,259
Add: Issued during the year for Cash	-	-
Outstanding at the end of the period	1,00,63,778	94,45,259

2.4 Aggregate Number of Shares issued for consideration by cash and shares bought back during the period of five years immediately preceding the reporting date:

Shares Issued against Unsecured loan from directors	-	6,18,519
	-	6,18,519
Total	1,00,63,778	1,00,63,778

2.5 Details of Shareholder holding more than 5% shares

Name of Shareholder	Number	% of Holding	Number	% of Holding
Mr. Nimesh Mehta (**)	26,33,572	26.17	26,33,572	26.17
Mrs. Manisha Mehta (**)	25,52,832	25.37	25,52,832	25.37

** Total 57% of promoters holding are pledged with TDB as security towards soft loans of Rs. 750 Lakhs sanctioned to the company.

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 to vote on show of hands unless a poll is demanded. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

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

The Company in its Board Meeting held in Aug 2020, has decided to issue shares to Sun Trac Manufacturing LLC, USA in exchange of Technology License Fees, amounting to Rs.

26,795,615 at the rate of Rs. 26 per share.

Note 3: SURPLUS

31st March,2020

31st March,2019

3.1 Security Premium

Opening Balance	7,38,76,290	6,33,61,467
Add: Addition during current year	-	1,05,14,823
Less: Utilised for issue of Bonus Shares	-	-
Closing Balance	7,38,76,290	7,38,76,290

3.2 Statement of Profit & Loss

Opening Balance	2,64,03,573	2,49,68,571
Add: Net Profit/(Net Loss) for the Period	3,54,890	14,35,002
	2,67,58,463	2,64,03,573
Add: Transferred to General Reserve	-	-
Closing Balance	2,67,58,463	2,64,03,573
	10,06,34,753	10,02,79,863

Note 4: LONG TERM BORROWINGS

31st March,2020

31st March,2019

(Secured)

Term Loan from Banks

Term Loan From Others

Technology Development Board (TDB) (refer note 4.1 f)	4,50,00,000	1,87,00,000
---	-------------	-------------

(Unsecured)

From Others

Loan from Directors (refer note 4.2)	12,60,744	12,90,434
Others	85,00,000	85,00,000
	5,47,60,744	2,84,90,434

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

- 4.1 a) Directors of the Company have extended Personal Guarantee.
- 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 and Village Dasve and Rabale Midc in Navi Mumbai
- 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.
- f) Pledge of Shares : Company has got sanction of Rs. 750 Lacs as Soft Loan from TDB towards "Development and Commercialisation of Hybrid Thermal System" (company has pledged promoters equity shares holding of 2977885 shares, plus mortgage of Land and Building, hypothecation of movable assets (present and future))

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

4.3 Due to Covid the relief package provided by RBI and the Company has availed the Moratorium facility upto August 2020.

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2020

Note 5: DEFERRED TAX LIABILITIES (Net)	31st March,2020	31st March,2019
5.1 Deferred Tax Liability (A)	23,52,680	32,59,278
Depreciation/Adjustment	(1,25,196)	(1,76,914)
5.2 Deferred Tax Asset (B)		
On account of Disallowance U/s. 43 B	-	(7,29,684)
	22,27,484	23,52,680

Note 6: OTHER LONG TERM LIABILITIES	31st March,2020	31st March,2019
Deposits from Customers	87,550	1,83,050
	87,550	1,83,050

Note 7: LONG TERM PROVISIONS	31st March,2020	31st March,2019
Provision For Gratuity	8,80,738	13,01,488
	8,80,738	13,01,488

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

Note 8: SHORT TERM BORROWINGS	31st March,2020	31st March,2019
(Secured)		
8.1 ICICI Bank (refer note 8.1)	6,16,22,203	6,07,10,497
8.2 The National Small Industries Corporation Ltd (refer note 8.2)	2,72,01,809	2,66,43,612
	8,88,24,012	8,73,54,109
	8,88,24,012	8,73,54,109

8.1 Cash Credit facility from ICICI Bank is secured by :

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

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

Note 9: TRADE PAYABLES	31st March,2020	31st March,2019
Trade Payables-for Goods & Services (Including acceptances)		
A. Total Outstanding dues of Micro enterprises and Small Enterprises	7,04,844.00	4,96,372.00
B. Total Outstanding dues of other than Micro enterprises and Small Enterprises	2,06,06,692	2,50,47,271
	2,13,11,536	2,55,43,643

* As the Company have not received confirmation from suppliers registered under Micro enterprises and Small enterprises, all outstanding assumed of other enterprises

9.1 Out of the above, Rs. 84,90,816 is payable to Subsidiary Company.

9.2 Trade Payable has been breakup in Current and non current based on outstanding for less than 365 days or more

9.3 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,2020	31st March,2019
1 Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4)	-	-
2 Interest Accrued but not due	12,80,991	3,71,438
3 Statutory Dues payable	76,32,348	1,02,80,112
4 Advance from Customers	-	-
5 Employee Benefit payable	1,66,090	18,25,862
6 Director Salary Payable	92,994	3,100
7 Gratuity Payable		-
8 Advance Income	5,31,396	10,81,132
9 Temporary Bank Overdrawn balance	-	-
10 Other payables	42,187	45,000
	97,46,006	1,36,06,644

Note 11: SHORT TERM PROVISIONS	31st March,2020	31st March,2019
1 Interest/ late payable	-	13,591
2 Provision for Sitting Fees Payable	-	30,000
3 Provision for Gratuity	1,61,230	1,61,230
4 Provision for Income Tax (Net of Advance Tax & TDS)	8,86,768	9,18,622
5 Provision for tax audit fees	-	45,000
6 Provision for Internal audit fees	-	90,000
7 Other provision		4,74,300
	10,47,998	17,32,743

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2020

Note 13:	NON CURRENT INVESTMENTS	31st March,2020	31st March,2019
	Trade		
	Unquoted Investments		
13.1	In Subsidiaries		
	Investments in Equity Instruments		
	Perfect Controls Panels Private Limited	1,00,06,000	1,00,06,000
	10,00,600 (10,00,000) Shares of Rs. 10 each, fully paid		
	Non Trade		
	Investments in Mutual Funds		
	Kotak Select Fund	20,000	20,000
	[2,000 Units (2,000 Units) of Rs. 10 each]		
	Total Quoted Investments	20,000	20,000
	Aggregate Market Value of Quoted Shares	65,250	71,960
13.3	Unquoted Investments		
	National Savings Certificate	20,000	20,000
	Total Unquoted Investments	20,000	20,000
13.4	Other Investment : Gold Coin	47,122	47,122
		1,00,93,122	1,00,93,122

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

Note 14:	LONG TERMS LOANS & ADVANCES	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
1	Capital Advances (see note 14.1)	94,62,800	72,23,668
2	Rent Deposit		11,41,902
3	Deposit with Suppliers	67,097	7,55,858
4	Other Deposits	2,30,000	3,61,032
		97,59,897	94,82,460

14.1 Advance for purchase of immoveable property at Pune Taluka

Note 15:	OTHER NON CURRENT ASSETS	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
1	Retention with customers		-
2	Advance & SA tax & TDS (net of provision for tax of prev years)	9,71,004	5,41,196
3	Miscellaneous Exp (to the extent not W/off)	3,67,059	21,30,595
		13,38,063	26,71,791

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

Note 16:	INVENTORIES	31st March,2020	31st March,2019
	Stock of raw materials	75,44,629	69,05,401
	Stock of Spares and Components	5,03,04,593	4,90,05,001
	Others	1,46,77,711	1,27,40,349
		7,25,26,933	6,86,50,751

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

Note 17:	TRADE RECEIVABLES	31st March,2020	31st March,2019
1	Trade Receivables		
	a. Trade Receivables considered good - Secured		-
	b. Trade Receivables considered good - Unsecured		-
	c. Trade Receivables which have significant increase in Credit Risk; and		-
	d. Trade Receivables - Credit impaired		-
	(Unsecured Considered Good)		
	Outstanding for a Period exceeding six months	5,19,73,288	1,66,65,716
	(From the due date of payment)		
	Others	3,20,09,713	4,87,71,978
		8,39,83,001	6,54,37,694

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

Note 18:	CASH & BANK BALANCES	31st March,2020	31st March,2019
	Cash and cash equivalents		
	Cash on hand	5,70,164	2,50,858
	Balance with Banks		
	Balances with banks	(20,62,706)	(7,87,842)
1	Margin Money for Bank Guarantees	60,85,922	71,89,845
		45,93,381	66,52,861

18.1 Represents Fixed Deposits pledged with bank as margin money for the issue of bank guarantees

PERFECT INFRAENGINEERS LIMITED**Notes to financial statements for the year ended 31st March, 2020**

Note 19:	SHORT TERM LOANS & ADVANCES	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
	Advance to Suppliers	26,23,803	26,23,803
	Advance to Employees	31,865	46,865
	Deposit_ Govt Authorities_pending Cases	14,82,699	25,02,699
	Other Advances & Deposits	74,13,871	77,14,219
		1,15,52,239	1,28,87,586
19.1	The Balances of Short Term Loans and advances are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.		
Note 20:	OTHER CURRENT ASSETS	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
	Retention with customers	77,62,618	77,60,043
	Accrued receivable	6,02,64,509	6,30,72,759
	Prepaid expenses	21,964	1,26,784
	Accrued Interest on Bank Fixed Deposit/NSC	7,722	7,722
	Due from Ex-employees	-	8,500
	Other Receivable	85,95,802	1,28,84,575
	Miscellaneous Expenses (to the extent not w/off) (Refer Note No. 15.1)	20,79,849	20,79,849
	Other assets		3,31,735
	TDS Recoverable	63,033	63,033
		7,87,95,497	8,63,35,000
Note 21:	REVENUE FROM OPERATIONS	31st March,2020	31st March,2019
	Trading/ Installation & Commissioning of AC	3,83,26,083	4,39,31,047
	Renting of Air Conditioners	61,03,288	91,57,045
	Sale of Services	90,45,720	30,57,357
	Operating income	8,44,818	4,47,05,148
		5,43,19,909	10,08,50,597
Note 22:	OTHER INCOME	31st March,2020	31st March,2019
	Interest Income from Bank Deposits	3,05,463	2,15,893
	Profit on Sale of Fixed Asset	-	-
	Sundry provisions and credit balances no longer required, written back	2,64,421	11,86,469
	Excess Provision of Income Tax no longer required	-	15,82,292
	Rent Income	1,60,000	6,00,000
	Discount Received	-	10,713
		7,29,884	35,95,367
Note 23:	COST OF MATERIALS / SERVICES CONSUMED	31st March,2020	31st March,2019
	Opening Stock of Raw Material	6,86,50,751	5,27,60,959
	Purchases	2,06,97,760	6,69,22,812
	Labour	53,860	12,61,027
	Site expenses	76,36,617	40,40,218
	Less: Closing Stock of Raw Material	7,25,26,933	6,86,50,751
		2,45,12,055	5,63,34,265
Note 24:	EMPLOYEE BENEFIT EXPENSES	31st March,2020	31st March,2019
	Salaries, wages and bonus	44,56,072	98,98,061
	Contribution to provident and other funds	2,08,503	3,41,633
	Gratuity		-
		46,64,575	1,02,39,694
Note 25:	FINANCE EXPENSES	31st March,2020	31st March,2019
	Interest paid to Banks	1,30,67,295	1,66,32,041
	Interest Paid to Others		4,28,352
	Other Borrowing Costs	2,34,916	10,20,424
		1,33,02,211	1,80,80,818

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2020
Note 26: OTHER EXPENSES

	31st March,2020	31st March,2019
1 Auditor's Remuneration (Refer Note 26.1)	1,75,000	3,25,000
2 Communication Costs	1,68,271	2,91,104
3 Business Promotion expenses	66,362	4,33,124
4 Discount	-	80,784
5 Insurance	2,02,261	1,12,690
6 Legal & Professional Fees	11,11,890	26,64,379
7 Miscellaneous Expenses	89,141	4,81,463
8 Packing Expenses	-	-
9 Power & Fuel	4,55,628	11,34,139
10 Postage & Courier Charges	18,827	54,016
11 Printing & Stationery	1,27,325	1,12,903
12 Office exp	20,645	1,75,483
13 Rent Rates & Taxes	1,32,435	5,000
14 Repairs and Maintenance Expenses	3,94,680	3,69,770
15 Security services	2,20,000	2,02,000
16 Indirect Taxes Paid	-	-
17 Transportation charges	1,74,310	5,48,530
18 Society Maintenance Charges	3,08,260	5,28,132
19 Sitting Fees	-	1,21,000
20 Travelling & Conveyance	18,63,698	34,45,600
21 Share Issue Expenses W/off	17,63,536	17,63,536
22 Late Fee on TDS	-	7,200
23 Sales Deduction expenses	16,520	-
24 ROC Fees	1,62,500	-
25 Other Expenses	-	-
	74,71,289	1,28,55,853

26.1 Payment to Auditor

	31st March,2020	31st March,2019
Statutory Audit fees	1,75,000	3,25,000
	1,75,000	3,25,000

NOTE 27: EARNINGS PER SHARE

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

Particulars	31st Mar 2020	31st Mar 2019
Profit before Tax	2,97,840	16,76,710
Less :		
Provision for Tax & Deferred Tax	(57,050)	2,41,708
Profit after tax	3,54,890	14,35,002
Weighted Number of Shares	1,00,63,778	97,01,139
Basic & Diluted EPS	0.04	0.15

NOTE 28: RELATED PARTY DISCLOSURES

Related parties with whom transactions have taken place during the period

Key Management Personnel

Designation

CEO

Mr. Nimesh Mehta

CFO

Mrs. Manisha Mehta

CS

Ms Pravesh

wef 20.12.2

Director

Mr Bhanu Pratap Singh

Director

Parth Mehta

Non Executive Directors

Mr Vinay Deshmukh

upto

Mr Rashmikan Dave

upto

Mr Arun Singh

wef

Ms Multani

wef

Subsidiary Company (wholly owned)
Related Party Transactions :

Particulars	31st Mar 2020	31st Mar 2019
Key Management Personnel		
Remuneration to Directors	29,50,800	
Subsidiary Company		
Rent Received	-	
Purchase of Material	76,40,989	6,00,000
Sale of Goods	52,85,306	1,09,03,090
Reimbursement of Expenses to	29,61,767	-
Outstanding Balances		
Subsidiary		
Investment	1,00,06,000	
Trade Payables	84,90,816	1,00,06,000
		90,96,900
Key Management Personnel		
Trade receivables		
Remuneration Payable	92,994	
Loan Payable	12,60,744	0
		12,90,434

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

Disclosure in accordance with Micro, Small and Medium Enterprises

As at March 31, 2019, 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****30.1 CONTINGENT LIABILITIES**

Bank Guarantees

Disputed Sales Tax liabilities for which appeal has been filed

(Amount deposited Rs.2,987,511 (204,478)

30.2 COMMITMENTS

Estimated amount of capital commitments not provided for
(Net of Advances)

30.3 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT**30.3 A Cases filed against company**

Sixteen cases filed against company

63,02,629.00

30.3 B Cases filed by company

Matters with Court

i Leo and Coronea Hotels (Claim amount Rs. 27,50,000/- and Rs. 25,00,000/- EMD Recovery)

Matters under Insolvency and Bankruptcy Code 2016 (NCLT Mumbai)

ii Chartered Hotels (Claim amount Rs. 56,62,407/- under Insolvency and Bankruptcy Code, 2016

iii Mumbai Metro One P. Ltd. (Claim amount Rs. 1,87,075/- under Insolvency and Bankruptcy Code, 2016 Notice served in Aug. 2018 and claim will be filed with authority on its direction

iv. Lavasa Hotels Ltd (Claim Rs.105,68,849 however matter is pending under Insolvency and Bankruptcy Resolution Professional. COC Meeting has approved Rs. 6,27,480/-. The said matter is pending with honourable National Company Law Tribunal

v Unity Infra (Claim Rs. 96,68,428 however matter is pending under Insolvency and Bankruptcy Resolution Professional. COC Meeting has approved Rs. 31,17,480/-. The said matter is pending with honourable National Company Law Tribunal

Note: In absence of any outcome, company has not anticipated any loss against above doubtful amounts and hence no provision has been made. However, there could be impact of future profitability

30.4 The Sale tax Authorities have carried out survey/search in respect of the Company's operations in Maharashtra under MVAT Act, 2005 on 5/4/2016. No specific demand is raised on the Company so far and also the Management is confident that no major liability will be payable by the Company in respect of the said search/survey. Meanwhile the Company has deposited Rs.20,00,000/- under protest, out of which Rs 517301 has been adjusted in FY 2019-20.

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

Technical know how fees(WIP)	3,56,76,345
Travelling Expenses	5,44,694
Export Sales	19,82,405

NOTE 32: VALUE OF IMPORTS (on CIF Basis)

Purchase of Goods

The global spread of Covid -19 has led to an uncertain and unpredictable path ahead for all of us. The full extent to which the pandemic will impact our future financial results will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities. The company has considered the possible effects that may result from the pandemic on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions of this pandemic, the company has used internal and external sources of information.

NOTE 33:

Ministry of Finance announced amendment in the form of reduced tax rate vide Taxation Laws (Amendment) Ordinance 2019 by inserting a new section 115BAA in the Income Tax Act, 1961. The amendments would be applicable from the previous year 2019-20 (AY 2020-21). As per the new section, the domestic Company may exercise the option of payment of tax at reduced rate of 22% subject to the condition that the company will not avail certain deductions/exemptions. The company has opted for the reduced rate of income tax. This has resulted in one time effect on PAT of Rs.3,03,748 due to reduction in deferred tax liability .

NOTE 34:**NOTE 35: Operating Leases**

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

NOTE 36: Segment Reporting

The Company is predominantly in the business of execution of HVAC & MEP Contracts and allied activities in India and as such there are no separate reportable segments. The Company trades in HYBRID SOLAR THERMAL PANELS but the activity is not significant till accounting date.

NOTE 37: PREVIOUS YEAR FIGURES

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

For JCR & Co.
Chartered Accountants
FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688

Bhanupratap Singh
Director
DIN No: 07182170

Parth Mehta
Director
DIN 08458118

Place: Mumbai
Date: 19th September 2020

Manisha Mehta
CFO



PERFECT INFRAENGINEERS LIMITED
Note: 12 TANGIBLE ASSETS

Notes forming part of Financial Statements for the period ended 31 March, 2020

(Current Year)

Particulars	Rate	GROSS BLOCK				DEPRECIATION				Net Block	Net Block
		Balance as on 01-Apr-19	Addition year	Deduction year	Balance as on 31-Mar-20	Balance as on 01-Apr-19	For the year	Adjustment/ Deletion	Total Depreciation	Balance as on 31-Mar-20	Balance as on 31-Mar-19
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS											
(a) Buildings											
Office Buildings	4.87%	65,21,950	-	-	65,21,950	18,41,678	2,27,929	-	20,69,607	44,52,343	46,80,272
Factory Building	9.50%	3,58,67,700	-	-	3,58,67,700	1,36,42,298	21,11,413	-	1,57,53,711	2,01,13,989	2,22,25,402
Guest House	4.87%	1,37,65,536	-	-	1,37,65,536	36,37,872	4,93,217	-	41,31,089	96,34,447	1,01,27,664
(b) Plant & Equipments											
Owned	18.10%	10,50,203	29,80,710	-	40,30,913	6,82,690	3,90,085	-	10,72,775	29,58,138	3,67,513
Owned, Given on Hire	18.10%	3,37,23,331	2,44,943	-	3,39,68,274	2,81,51,190	10,39,732	-	2,91,90,922	47,77,352	55,72,141
(c) Furniture & Fixtures	25.89%	41,61,715	-	-	41,61,715	26,64,448	3,87,642	-	30,52,090	11,09,625	14,97,267
(d) Vehicles	25.66%	38,49,101	-	-	38,49,101	32,21,142	1,61,134	-	33,82,276	4,66,825	6,27,959
(e) Office Equipment											
Office Equipment	45.07%	3,92,744	-	-	3,92,744	3,92,744		19,637	3,73,107	19,637	-
Computer	63.16%	23,18,305	-	-	23,18,305	22,89,562	18,154	1,23,480	21,84,236	1,34,069	28,743
INTANGIBLE ASSETS											
(a) Software	63.16%	10,26,392	-	-	10,26,392	9,46,212	50,642	21,781	9,75,073	51,319	80,180
Intangible R&D			17,35,419	-	17,35,419		86,771		86,771	16,48,648	-
Work In Progress											
(a) Technical know how fees	10.00%	5,23,28,608	3,66,17,085	-	8,89,45,693	-	-	-	-	8,89,45,693	5,23,28,608
(b) Capital Wip		17,35,419	-	17,35,419	-	-	-	-	-	-	17,35,419
TOTAL		15,67,41,004	4,15,78,157	17,35,419	19,65,83,742	5,74,69,836	49,66,720	1,64,898	6,22,71,658	13,43,12,084	9,92,71,169
Previous year		14,43,46,967	1,06,58,618	-	15,67,41,004	5,22,11,211	52,58,625	-	5,74,69,835	9,92,71,169	9,21,35,757

Note: 12.1

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

Note: 12.2

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

Note: 12.3

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

Note: 12.4

In accordance with the Accounting Standard (AS 28) on "Impairment of Assets" the Management during the previous year carried out an exercise of identifying assets that may have been, impaired in respect of each Cash Generating Unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Asset during the year ended March 31, 2020.



INDEPENDENT AUDITOR'S REPORT

To the Members of PERFECT INFRAENGINEERS LIMITED Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PERFECT INFRAENGINEERS LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, its statement of consolidated Profit & loss, of the profits, and its consolidated cash flows for the year then ended.

We draw your attention to Note 30.3B which describes that the company in absence of any future outcome has not made any provision for doubtful debts for the cases filed with NCLT.

Our opinion is modified for this matter.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 33 to the Statement, which describes the uncertainty caused by Covid-19 pandemic and the assessment made by the management on its business and financials. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

We draw your attention to Note 4 to the Statement, whereby it describes that the Company has availed moratorium on existing facilities.

The balances in Trade Receivables and Trade Payables are subject to confirmation.

Due to the Covid-19 related lockdown, we were unable to observe the Management's year-end physical verification of inventory amounting to Rs.7.67crores. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items". We observed that company has many slow moving items in inventory.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, then we will communicate the matter to those charged with governance.

Other Matters

The Company has opted for the reduced tax rate of 22% as per newly inserted section 115BAA of the Income Tax Act, 1961 during the year ended March 31, 2020, subject to the condition that the company will not avail certain deductions/exemptions.

The opinion expressed in the present report includes the information, facts and inputs made available to us through electronic means by the Holding Company's Management and relied upon by us because the Covid-19 had induced restrictions on physical movements.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its subsidiaries 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; 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its entities are responsible for assessing the ability of the Group and of its entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its entities is responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we are required to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions

may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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 and the reports of the other auditors.

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

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) We have not received the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, so as to comment that none of the directors of the Group companies, are disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(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. There were no pending litigations which would impact the consolidated financial position of the Group entities except those mentioned in notes to accounts to the financial statement.
- ii. The Group entities 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 companies, associate companies and jointly controlled companies incorporated in India.

For JCR & Co.
Chartered Accountants
FRN- 105270W

MITESH
DAMJI
CHHEDA

Digitally signed
by MITESH
DAMJI CHHEDA
Date: 2020.09.19
15:17:08 +05'30'

Mitesh Chheda
Partner
Mem. No. – 160688

Date: 19th September 2020
Place: Mumbai
UDIN: 20160688AAAADX5739



“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **PERFECT INFRAENGINEERS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the following significant weakness has been identified as at 31st March, 2020:

(a). The control mechanism in respect of design of controls needs improvement.

In our opinion, except for the possible effects of the significant weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting were operating effectively as of 31st March, 2020, based on "The internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For JCR & Co
Chartered Accountants
FRN- 105270W

MITESH Digitally signed
by MITESH
DAMJI DAMJI CHHEDA
CHHEDA Date: 2020.09.19
15:16:11 +05'30'

Mitesh Chheda
Partner
Mem. No. 160688
Date: 19th September 2020
Place: Mumbai

PERFECT INFRAENGINEERS LIMITED

Consolidated Balance Sheet as on 31st March,2020

Particulars	Note no.	As at 31st March,2020	As at 31st March,2019
I. EQUITY & LIABILITIES			
1 Shareholder's Funds			
(a) Share capital	2	10,06,37,780	10,06,37,780
(b) Other Equity	3	9,99,61,016	9,79,92,566
© Application money received pending allotment		2,67,95,615	
2 Non-current liabilities			
(a) Long-term borrowings	4	5,53,53,383	2,94,23,462
(b) Deferred tax liability (net)	5	23,82,065	29,57,757
(c) Other long - term liabilities	6	87,550	1,83,050
(d) Long-term provisions	7	8,80,738	13,01,488
3 Current liabilities			
(a) Short-term borrowings	8	10,05,47,739	9,89,03,440
(b) Trade payables	9	1,40,35,447	1,88,55,173
(c) Other current liabilities	10	96,95,960	1,44,08,415
(d) Short-term provisions	11	13,72,681	18,85,330
TOTAL		41,17,49,972	36,65,48,461
II. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipments			
Tangible assets	12	4,87,31,407	5,07,29,762
Intangible assets	12	17,04,181	84,413
Capital Work In Progress	12	8,89,45,693	5,55,35,172
(b) Non Current Investments	13	5,82,122	5,82,122
(c) Long-term loans and advances	14	97,84,897	95,07,460
(d) Other non-current assets	15	13,52,085	27,25,702
Current assets			
(a) Inventories	16	7,67,88,988	6,97,00,385
(b) Trade receivables	17	8,74,52,330	7,01,93,922
(c) Cash and bank balances	18	50,56,253	69,55,703
(d) Short-term loans and advances	19	1,17,48,380	1,29,02,886
(e) Other current assets	20	7,96,03,638	8,76,30,934
TOTAL		41,17,49,972	36,65,48,461

Significant Accounting Policies

1

Notes form an integral part of the financial statements

2 to 37

As per our Report of even date

For JCR & Co.

Chartered Accountants

FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda

Partner

M. No. 160688

Parth Mehta

Director

DIN No: 08458118

Bhanupratap Singh

Director

DIN No: 07182170

Place: Mumbai

Date: 19th Sept,2020

Manisha Mehta

CFO



PERFECT INFRAENGINEERS LIMITED
Consolidated Statement of Profit & Loss for year ended 31st March, 2020

Particulars	Note No.	31st March,2020	31st March,2019
I. Revenue from operations	21	4,94,58,799	10,32,76,597
II. Other Income	22	16,20,902	59,02,808
III. Total Revenue (I + II)		5,10,79,700	10,91,79,405
IV. <u>Expenses:</u>			
Cost of Materials/Services Consumed	23	1,59,32,816	5,74,00,536
Employee benefits expense	24	51,68,309	1,05,82,425
Finance costs	25	1,51,87,896	2,01,38,159
Depreciation and amortization expense	12	53,39,657	62,52,263
Other expenses	26	76,65,436	1,36,81,266
Total Expenses		4,92,94,114	10,80,54,648
V. Profit before tax (III- IV)		17,85,586	11,24,757
VI. Tax Expense:			
(1) Current tax		3,92,829	5,72,910
(2) Deferred tax		(5,75,692)	(1,43,260)
(3) Excess Provision of Previous Year			
		(1,82,863)	4,29,650
VII. Minority Interest			
VII. Profit (Loss) for the period (V-VI)		19,68,450	6,95,107
VIII. Earnings per equity share:	27	0.20	0.07
Face value of Rs. 10 each			
-Basic and Diluted			

Significant Accounting Policies

1

Notes form an integral part of the financial statements

2 to 37

As per our Report of even date

For JCR & Co.

Chartered Accountants

FRN : 105270W

For and on behalf of the Board of Directors

Mitesh D. Chheda

Partner

M. No. 160688

Parth Mehta

Director

DIN No: 08458118

Bhanupratap Singh

Director

DIN No: 07182170

Place: Mumbai

Date: 19th Sept,2020

Manisha Mehta

CFO



PERFECT INFRAENGINEERS LIMITED
CONSOLIDATED CASHFLOW STATEMENT for the year ended 31st March,2020
Amount Amount

Particulars	FOR THE YEAR ENDED MARCH 31,2020	FOR THE YEAR ENDED MARCH 31,2019
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items:	6,38,473	21,06,063
Depreciation	53,39,686	62,52,262
Interest and Dividend Income	(3,80,463)	(3,07,893)
Profit on Sale of Investments	-	-
Provisions written back	(2,47,901)	30,52,214
Misc Exp w/off	1,12,461	46,900
Profit / (Loss) on sale of fixed assets	-	(4,87,157)
Provision for Gratuity	-	-
Interest on Borrowings	1,51,87,896	2,01,38,159
Share Issue Expenses	17,63,536	17,63,536
Other Adjustments	12,82,028	-
Operating Profit before Working Capital changes	2,36,95,716	3,25,64,084
Adjustments for:		
Inventories (Increase) / Decrease	(59,41,520)	(2,36,83,903)
Trade Receivables (Increase) / Decrease	(1,66,52,324)	89,25,549
Loans and advances (Increase) / Decrease	10,57,911	41,23,881
Other non current assets and Current Assets (Increase) / Decrease	74,50,008	3,60,270
Trade payables Increase / (Decrease)	(54,25,810)	88,85,709
Other current liabilities and provisions Increase / (Decrease)	(60,33,693)	(2,42,91,195)
Cash generated from Operations	(18,49,711)	68,84,395
Direct taxes received / (paid)	(30,144)	(51,64,817)
Net Prior Year adjustments	NIL	NIL
Cash Flow from Operating Activities	(18,79,855)	17,19,578
Extraordinary items:		
Extraordinary item	-	-
Net Cash from Operating Activities: (A)	(18,79,855)	17,19,578
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	-	-
Purchases of Fixed Assets \WIP\Capital Advance	(1,27,86,383)	(61,67,558)
Proceeds from Sale of Fixed Assets	-	-
Capital Subsidy received	-	-
Proceeds from Share issue	-	-
Proceeds from Sale of Share (Investments)	-	-
Purchase of investments -Gold coin	-	-
Purchase of investments on Conversion of CCD Application money	-	-
Conversion of CCD Application money to Equity Investment	-	-
Purchase of Investments -Shares	-	-
Realisation from Sale of investments - Subsidiaries *	-	-
Purchase of Investment	-	-
Sale proceeds from sale of shares	-	-
Interest and Dividend Income	3,80,463	3,07,893
Net cash generated from/(used in) investing activities (B)	(1,24,05,920)	(58,59,665)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Fresh Issue	-	1,67,00,013
Increase in Unsecured Loans	18,540	(1,34,24,030)
Increase/Decrease in Loans from Bank (Net)	2,75,55,680	1,61,55,176
Due to Bank not considered	-	-
Interest /Finance Charges paid	(1,51,87,896)	(2,01,38,159)
Dividend Paid / Dividend Distribution Tax Paid	-	-
Share issue Expenses	-	17,63,536
Fixed Deposit held with Bank as margin Money	11,03,923	24,44,483
Net cash received from/(used in) financing activities (C)	1,34,90,247	35,01,019
Net increase in cash and cash equivalents (A + B + C)	(7,95,528)	(6,39,068)
Cash and cash equivalents (Opening)	(2,34,142)	4,04,927
Cash and cash equivalents (Closing)	(10,29,669)	(2,34,142)

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

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

For and on behalf of the Board of Directors

Mitesh D. Chheda
Partner
M. No. 160688

Parth Mehta
Director
DIN No: 08458118

Bhanupratap Singh
Director
DIN No: 07182170

Place: Mumbai
Date:

Manisha Mehta
CFO



PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2020

NOTE 2:	SHARE CAPITAL	31st March,2020		31st March,2019	
2.1 Authorised					
Equity Shares of Rs. 10 each		1,30,00,000	13,00,00,000	1,30,00,000	13,00,00,000
2.2 Issued, Subscribed & Paid up					
Shares at the beginning of the period		1,00,63,778	10,06,37,780	94,45,259	9,44,52,590
Add: Issued during the year		-	-	6,18,519	61,85,190
Add: Issued Bonus shares		-	-	-	-
Shares at the end of the period		1,00,63,778	10,06,37,780	1,00,63,778	10,06,37,780
2.3 Reconciliation of Number of Shares					
Outstanding at Beginning of the period		1,00,63,778		94,45,259	
Add: Issued during the year for Cash		-		-	
Outstanding at the end of the period		1,00,63,778		94,45,259	
2.4 Aggregate Number of Shares issued for consideration by cash and shares bought back during the period of five years immediately preceding the reporting date:					
Shares Issued against Unsecured loan from directors		-		6,18,519	
		-		6,18,519	
Total		1,00,63,778		1,00,63,778	
2.5 Details of Shareholder holding more than 5% shares					
Name of Shareholder		Number	% of Holding	Number	% of Holding
Mr. Nimesh Mehta (**)		26,33,572	26.17	26,33,572	26.17
Mrs. Manisha Mehta (**)		25,52,832	25.37	25,52,832	25.37
Manan Rajendra Doshi HUF (*)		-	-	-	-

* Share holding of Manan Doshi HUF has been reduced below 5%, due to issue of fresh shares.

** Total 57% of promoters holding are pledged with TDB as security towards soft loans of Rs. 750 Lakhs sanctioned to the company.

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 to vote on show of hands unless a poll is demanded. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

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

Note 3:	SURPLUS	31st March,2020		31st March,2019	
3.1 Security Premium					
Opening Balance		7,38,76,290		6,33,61,467	
Add: Addition during current year		-		1,05,14,823	
Less: Utilised for issue of Bonus Shares					
Closing Balance		7,38,76,290		7,38,76,290	
3.2 Statement of Profit & Loss					
Opening Balance		2,41,16,276		2,33,95,065	
Add: Net Profit/(Net Loss) for the Period		19,68,450		7,21,211	
		2,60,84,726		2,41,16,276	
Add: Transferred to General Reserve					
Closing Balance		2,60,84,726		2,41,16,276	
		9,99,61,016		9,79,92,566	

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2020

Note 4:	LONG TERM BORROWINGS	31st March,2020	31st March,2019
	(Secured)		
	Term Loan from Banks		
	SIDBI	-	-
	ICICI Bank	-	-
	TJSB Bank		388619
	Term Loan From Others		
	Technology Development Board (TDB) (refer note 4.2 f)	4,50,00,000	1,87,00,000
	(Unsecured)		
	From Others		
	Loan from Directors (refer note 4.3)	18,53,383	18,34,843
	Others	85,00,000	85,00,000
		5,53,53,383	2,94,23,462

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

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

4.2 a) Term Loans from ICICI Bank is secured by Equitable Mortgage of Plot owned by Company at Rabale and first charge on all movable assets of the company

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 and Village Dasve and Rabale Midc in Navi Mumbai

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.

f) Pledge of Shares : Company has got sanction of Rs. 750 Lacs as Soft Loan from TDB towards "Development and Commercialisation of Hybrid Thermal System" (company has pledged promoters equity shares holding of 2977885 shares, plus mortgage of Land and Building, hypothecation of movable assets (present and future))

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

Note 5:	DEFERRED TAX LIABILITIES (Net)	31st March,2020	31st March,2019
5.1	Deferred Tax Liability (A)	29,57,757	38,54,581
	Depreciation/Adjustment	(5,75,692)	(1,67,140)
5.2	Deferred Tax Asset (B)		
	On account of Disallowance U/s. 43 B	-	(7,29,684)
		23,82,065	29,57,757

Note 6:	OTHER LONG TERM LIABILITIES	31st March,2020	31st March,2019
	Deposits from Customers	87,550	1,83,050
		87,550	1,83,050

Note 7:	LONG TERM PROVISIONS	31st March,2020	31st March,2019
	Provision For Gratuity	8,80,738	13,01,488
		8,80,738	13,01,488

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

Note 8:	SHORT TERM BORROWINGS	31st March,2020	31st March,2019
	(Secured)		
8.1	ICICI Bank (refer note 8.1)	6,16,22,203	6,07,10,497
8.2	The National Small Industries Corporation Ltd (refer note 8.2)	2,72,01,809	2,90,96,452
8.3	TJSB Bank (refer note 6.1)	92,59,360	90,96,491
8.4	NSIC Bank (refer note 6.2)	24,64,367	
		<u>10,05,47,739</u>	<u>9,89,03,440</u>
		<u>10,05,47,739</u>	<u>9,89,03,440</u>

8.1 Cash Credit facility from ICICI Bank is secured by :

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

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

Note 9:	TRADE PAYABLES	31st March,2020	31st March,2019
	Trade Payables-for Goods & Services (Including acceptances)		
	A. Total Outstanding dues of Micro enterprises and Small Enterprises	8,32,892	-
	B. Total Outstanding dues of other than Micro enterprises and Small Enterprises	1,32,02,555	1,88,55,173
		<u>1,40,35,447</u>	<u>1,88,55,173</u>

* As the Company have not received confirmation from suppliers registered under Micro enterprises and Small enterprises, all outstanding assumed of other enterprises

9.1 Trade Payables Includes payable to Subsidiary Company

9.2 Trade Payable has been breakup in Current and non current based on outstanding for less than 365 days or more

9.3 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,2020	31st March,2019
1	Current Maturities of Long Term Liabilities (for security refer note 4.1 to 4.4)	-	2,04,360
2	Interest Accrued but not due	12,80,991	3,71,438
3	Statutory Dues payable	78,20,375	1,06,35,545
4	Advance from Customers	-	-
5	Employee Benefit payable	1,91,090	20,07,946
6	Director Salary Payable	92,994	3,100
7	Gratuity Payable	-	-
8	Advance Income	5,31,396	10,81,132
9	Temporary Bank Overdrawn balance	(3,40,081)	(6,105)
10	Other payables	1,19,195	1,11,000
		<u>96,95,960</u>	<u>1,44,08,415</u>

Note 11:	SHORT TERM PROVISIONS	31st March,2020	31st March,2019
1	Interest/ late payable	-	13,590
2	Provision for Sitting Fees Payable	-	30,000
3	Provision for Gratuity	1,61,230	1,61,230
4	Provision for Income Tax (Net of Advance Tax & TDS)	12,11,451	10,71,210
5	Provision for tax audit fees	-	45,000
6	Provision for Internal audit fees	-	90,000
7	Other provision	-	4,74,300
		<u>13,72,681</u>	<u>18,85,330</u>

Note 13:	NON CURRENT INVESTMENTS	31st March,2020	31st March,2019
	Trade		
	Unquoted Investments		
13.1	Non Trade		
	Investments in Mutual Funds		
	Kotak Select Fund	20,000	20,000
	[2,000 Units (2,000 Units) of Rs. 10 each]		
	Total Quoted Investments	20,000	20,000
	Aggregate Market Value of Quoted Shares	65,800	71,960
13.2	Unquoted Investments		
	National Savings Certificate	20,000	20,000
	Investments in Equity Instruments		
	The Thane Janata Sahakari Bank Ltd	4,95,000	4,95,000
	9,900 (Nil) Shares of Rs.50/- each, fully paid		
	Total Unquoted Investments	5,15,000	5,15,000
13.3	Other Investment : Gold Coin	47,122	47,122
		5,82,122	5,82,122
13.5	For basis of valuation refer note no. 1.7 of Significant Accounting Policy		
Note 14:	LONG TERMS LOANS & ADVANCES	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
1	Capital Advances (see note 14.1)	94,62,800	72,23,668
2	Rent Deposit	-	11,41,902
3	Deposit with Suppliers	67,097	7,55,858
4	Other Deposits	2,55,000	3,86,032
		97,84,897	95,07,460
14.1	Advance for purchase of immoveable property at Pune Taluka		
Note 15:	OTHER NON CURRENT ASSETS	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
1	Retention with customers	-	-
2	Advance & SA tax & TDS (net of provision for tax of prev years)	9,71,004	5,41,196
3	Miscellaneous Exp (to the extent not W/off)	3,81,081	21,84,507
		13,52,085	27,25,703
15.3	Miscellaneous Exp (to the extent not W/off) Consists of unamortised portion of issue related expenses of Initial Public Offering, which are amortised over a period of 5 years as per Company's accounting policy		
Note 16:	INVENTORIES	31st March,2020	31st March,2019
	Stock of raw materials	91,47,435	79,17,583
	Stock of Spares and Components	5,03,04,593	4,90,05,001
	Others	1,73,36,960	1,27,77,801
		7,67,88,988	6,97,00,385
	For basis of valuation refer note no. 1.8 of Significant Accounting Policy		
Note 17:	TRADE RECEIVABLES	31st March,2020	31st March,2019
1	Trade Receivables		
	a. Trade Receivables considered good - Secured		-
	b. Trade Receivables considered good - Unsecured		-
	c. Trade Receivables which have significant increase in Credit Risk; and		-
	d. Trade Receivables - Credit impaired		-
	(Unsecured Considered Good)		
	Outstanding for a Period exceeding six months	5,42,65,094	2,04,21,944
	(From the due date of payment)		
	Others	3,31,87,235	4,97,71,978
		8,74,52,330	7,01,93,922
17.1	The Balances of Trade Receivables are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.		

Note 18:	CASH & BANK BALANCES	31st March,2020	31st March,2019
	Cash and cash equivalents		
	Cash on hand	7,65,518	2,86,181
	Balance with Banks		
	Balances with banks	(20,62,706)	(7,87,842)
	1 Margin Money for Bank Guarantees	63,53,441	74,57,364
		50,56,253	69,55,703
	18.1 Represents Fixed Deposits pledged with bank as margin money for the issue of bank guarantees		
Note 19:	SHORT TERM LOANS & ADVANCES	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
	Advance to Suppliers	26,39,103	26,23,803
	Advance to Employees	31,865	46,865
	Deposit_ Govt Authorities_ pending Cases	16,63,540	25,02,699
	Other Advances & Deposits	74,13,871	77,29,519
		1,17,48,380	1,29,02,886
	19.1		
	The Balances of Short Term Loans and advances are subject to reconciliation and confirmation. Appropriate adjustment if necessary will be considered in the year of reconciliation.		
Note 20:	OTHER CURRENT ASSETS	31st March,2020	31st March,2019
	(Unsecured Considered Good)		
	Retention with customers	77,62,618	77,60,043
	Accrued receivable	6,02,64,509	6,30,72,758
	Prepaid expenses	21,964	1,26,784
	Accrued Interest on Bank Fixed Deposit/NSC	7,722	7,722
	Due from Ex-employees		8,500
	Other Receivable	85,95,802	1,43,01,946
	Miscellaneous Expenses (to the extent not w/off) (Refer Note No. 15.1)	20,79,849	20,86,859
	Balance with Revenue Authorities		2,03,290
	Other assets	8,08,141	-
	TDS Recoverable	63,033	63,033
		7,96,03,638	8,76,30,935
Note 21:	REVENUE FROM OPERATIONS	31st March,2020	31st March,2019
	Trading/ Installation & Commissioning of AC	2,35,95,591	4,39,31,047
	Renting of Air Conditioners	61,03,288	91,57,045
	Sale of Services	90,45,720	30,57,357
	Operating income	8,44,818	4,47,05,148
	Other operating income	18,04,197	-
	Sale of Panels	80,65,185	
		4,94,58,799	10,08,50,597
Note 22:	OTHER INCOME	31st March,2020	31st March,2019
	Interest Income from Bank Deposits	3,05,463	2,15,893
	Profit on Sale of Fixed Asset	-	-
	Sundry provisions and credit balances no longer required, written back	10,78,729	11,86,469
	Excess Provision of Income Tax no longer required	-	15,82,292
	Rent Income	1,60,000	6,00,000
	Others	76,710	
	Discount Received		10,713
		16,20,902	35,95,367

Note 23:	<u>COST OF MATERIALS / SERVICES CONSUMED</u>	31st March,2020	31st March,2019
	Opening Stock of Raw Material	6,97,00,385	5,27,60,959
	Purchases	1,53,30,942	6,69,22,812
	Labour	53,860	12,61,027
	Site expenses	76,36,617	40,40,218
	Less: Closing Stock of Raw Material	7,67,88,989	6,97,00,385
		1,59,32,816	5,52,84,631
Note 24:	<u>EMPLOYEE BENEFIT EXPENSES</u>	31st March,2020	31st March,2019
	Salaries, wages and bonus	49,59,806	98,98,061
	Contribution to provident and other funds	2,08,503	3,41,633
	Gratuity	-	-
		51,68,309	1,02,39,694
Note 25:	<u>FINANCE EXPENSES</u>	31st March,2020	31st March,2019
	Interest paid to Banks	1,45,99,675	1,66,32,041
	Interest Paid to Others	-	4,28,352
	Other Borrowing Costs	5,88,221	10,20,424
		1,51,87,896	1,80,80,818
Note 26:	<u>OTHER EXPENSES</u>	31st March,2020	31st March,2019
	1 Auditor's Remuneration (Refer Note 26.1)	2,15,000	3,25,000
	2 Communication Costs	1,68,271	2,91,104
	3 Business Promotion expenses	66,362	4,33,124
	4 Discount	-	80,784
	5 Insurance	2,02,261	1,12,690
	6 Legal & Professional Fees	11,77,229	26,64,379
	7 Miscellaneous Expenses	1,11,149	4,81,463
	8 Power & Fuel	4,55,628	11,34,139
	9 Postage & Courier Charges	19,227	54,016
	10 Printing & Stationery	1,27,325	1,12,903
	11 Office exp	40,145	1,75,483
	12 Rent Rates & Taxes	1,32,435	5,000
	13 Repairs and Maintenance Expenses	3,94,680	3,69,770
	14 Security services	2,20,000	2,02,000
	15 Transportation charges	1,74,310	5,48,530
	16 Society Maintenance Charges	3,08,260	5,28,132
	17 Sitting Fees	46,900	1,21,000
	18 Travelling & Conveyance	18,63,698	34,45,600
	19 Share Issue Expenses W/off	17,63,536	17,63,536
	20 Late Fee on TDS	-	7,200
	21 Sales Deduction expenses	16,520	-
	22 ROC Fees	1,62,500	-
		76,65,436	1,28,55,853
26.1 Payment to Auditor		31st March,2020	31st March,2019
	Statutory Audit fees	1,75,000	3,25,000
		175000	3,25,000

NOTE 30: CONTINGENT LIABILITIES & COMMITMENTS**Description****30.1 CONTINGENT LIABILITIES**

Bank Guarantees

Disputed Sales Tax liabilities for which appeal has been filed
(Amount deposited Rs.2,987,511 (204,478)

30.2 COMMITMENTS

Estimated amount of capital commitments not provided for
(Net of Advances)

30.3 CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBT**30.3 A Cases filed against company**

Sixteen cases filed against company

63,02,629.00

30.3.B Cases filed by company**Matters with Court**

i Leo and Coronae Hotels (Claim amount Rs. 27,50,000/- and Rs. 25,00,000/- EMD Recovery)

Matters under Insolvency and Bankruptcy Code 2016 (NCLT Mumbai)

ii Chartered Hotels (Claim amount Rs. 56,62,407/- under Insolvency and Bankruptcy Code, 2016

iii Mumbai Metro One P. Ltd. (Claim amount Rs. 1,87,075/- under Insolvency and Bankruptcy Code, 2016 Notice served in Aug. 2018 and claim will be filed with authority on its direction

iv Unity Infra (Claim Rs. 96,68,428 however matter is pending under Insolvency and Bankruptcy Resolution Professional. COC Meeting has approved Rs. 31,17,480/- . The said matter is pending with honourable National Company Law Tribunal - Mumbai and yet to be decided.

Note: In absence of any outcome, company has not anticipated any loss against above doubtful amounts and hence no provision has been made.

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

NOTE 31: EARNINGS & EXPENDITURE IN FOREIGN CURRENCY (on ACCRUAL BASIS):**31st March,2020**

Technical know how fees(WIP)

3,56,76,345

Travelling Expenses

5,44,694

Export Sales

19,82,405

NOTE 32: VALUE OF IMPORTS (on CIF Basis)

Purchase of Goods

The global spread of Covid -19 has led to an uncertain and unpredictable path ahead for all of us. The full extent to which the pandemic will impact our future financial results will depend on upcoming developments, which are highly uncertain including any new information concerning the severity of the pandemic and the action to mitigate its spread as advised by local authorities. The company has considered the possible effects that may result from the pandemic on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions of this pandemic, the company has used internal and external sources of information.

NOTE 33:

Ministry of Finance announced amendment in the form of reduced tax rate vide Taxation Laws (Amendment) Ordinance 2019 by inserting a new section 115BAA in the Income Tax Act, 1961. The amendments would be applicable from the previous year 2019-20 (AY 2020-21). As per the new section, the domestic Company may exercise the option of payment of tax at reduced rate of 22% subject to the condition that the company will not avail certain deductions/exemptions. The company has opted for the reduced rate of income tax. This has resulted in one time effect on PAT of Rs.3,24,827 due to reduction in deferred tax liability .

NOTE 34:**NOTE 35: Operating Leases**

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

NOTE 36: Segment Reporting

The Company is predominantly in the business of execution of HVAC & MEP Contracts and allied activities in India and as such there are no separate reportable segments. The Company has started the manufacturing activity of HYBRID SOLAR THERMAL PANELS but the activity is not significant till accounting date.

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 JCR & Co.
Chartered Accountants
FRN : 105270W

Parth Mehta
Director
DIN No: 08458118

Bhanupratap Singh
Director
DIN No: 07182170

Mitesh D. Chheda
Partner
M. No. 160688

Manisha Mehta
CFO



Place: Mumbai
Date: 19th Sept, 2020

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for year ended 31st March, 2019
Note: 12 TANGIBLE ASSETS (Current Year)

Name Of Asset	Gross Block As on 01-Apr-19	Addition During the period	Deduction during the period	Gross Block As On 31-Mar-20	Depreciation Upto 01-Apr-19	Depreciation For the period	Transfer to Reserve	Depreciation Adjustment/ Deletion	Total Depreciation	Net Block As On 31-Mar-20	Net Block As On 31-Mar-19
<u>TANGIBLE ASSETS</u>											
<u>(a) Buildings</u>											
Office Buildings	65,21,950	-		65,21,950	18,41,678	2,27,929		-	20,69,607	44,52,343	46,80,272
Factory Building	3,58,67,700	-		3,58,67,700	1,36,42,297	21,11,413		-	1,57,53,710	2,01,13,990	2,22,25,403
Guest House	1,82,56,736		-	1,82,56,736	44,60,110	6,71,896		-	51,32,005	1,31,24,731	1,37,96,626
									-		
<u>(b) Plant & Equipments</u>											
Owned	28,99,763	29,80,710	-	58,80,473	15,38,703	5,69,916	-	-	21,08,620	37,71,853	13,61,060
Owned, Given on Hire	3,37,23,331	2,44,943	-	3,39,68,274	2,81,51,190	10,39,732	-	-	2,91,90,922	47,77,352	55,72,141
Demo-Equipment	12,49,850			12,49,850	4,11,499	1,51,741	-	-	5,63,241	6,86,609	8,38,351
<u>(c) Furniture & Fixtures</u>	43,18,544			43,18,544	27,25,121	4,12,537	-	-	31,37,659	11,80,885	15,93,422
<u>(d) Vehicles</u>	38,49,101		-	38,49,101	32,21,142	1,61,134	-	-	33,82,276	4,66,825	6,27,959
<u>(e) Office Equipment</u>											
Office Equipment	3,92,744		-	3,92,744	3,92,744		-	19,637	3,73,107	19,637	-
Computer	23,80,586		-	23,80,586	23,46,060	20,823	-	1,23,480	22,43,403	1,37,183	34,526
<u>INTANGIBLE ASSETS</u>											
<u>(a) Software</u>	11,10,662		-	11,10,662	10,26,249	50,661	-	21,781	10,55,129	55,533	84,413
Intangible R&D		1735419		17,35,419		86770.95			86,771	16,48,648	-
										-	-
Capital WIP(R& D) Exp	-			-						-	-
<u>Work In Progress</u>	-			-						-	-
(a) Technical know how fees(WIP)	5,23,28,608	3,66,17,085		8,89,45,693						8,89,45,693	5,23,28,608
(b) Capital Wip	32,06,564		32,06,564	-						-	32,06,564
TOTAL	16,61,06,139	4,15,78,157	32,06,564	20,44,77,732	5,97,56,794	55,04,555	0	1,64,898	6,50,96,451	13,93,81,281	10,63,49,346
Previous year	11,62,53,547	4,58,87,544	22,02,510	15,99,38,581	4,74,95,448	74,39,303	-	8,62,003	5,40,26,162	10,59,12,419	6,87,58,099
	16,61,06,139			20,44,77,732	5,97,56,795	55,04,555		1,64,898	6,50,96,451	13,93,81,281	10,63,49,345
								53,39,657			

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 depreciaiton provided in earlier year on vehicles and computerr.

Note: 12.3

Capital WIP Inclueds R&D Expenditure For New Product