



ANNUAL REPORT

2021-2022



**"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	KEY MANAGERIAL PERSONNELS	
DIRECTORS	Mr.Arun Kumar Singh Mrs. Gurinder Kaur Mr. Rakesh Chauhan Mr. Raj Shekhar Singh		
		CHIEF EXECUTIVE OFFICER	Mr. Nimesh Mehta
AUDIT COMMITTEE	Mrs. Gurinder Kaur Mr. Rakesh Chauhan Mr. Raj Shekhar Singh	CHIEF FINANCIAL OFFICER	Mr. Manisha Mehta
		COMPANY SECRETARY	Ms. Zainab Chanki (resigned w.e.f. 26/8/2022)
		WHOLE TIME DIRECTOR	Mr. Krishna Mehta (resigned w.e.f. 22/12/2021) Mr. Arun Kumar Singh (Appointed w.e.f 04/12/2021)
NOMINATION AND REMUNERATION COMMITTEE	Mrs. Gurinder Kaur Mr. Rakesh Chauhan Mr. Raj Shekhar Singh		
STAKEHOLDER RELATIONSHIP COMMITTEE	Mrs. GurinderKaur Mrs. Manisha Mehta Mr. Rakesh Chauhan	REGISTRAR AND TRANSFER AGENTS	KFin Technologies Private Limited Karvy Selenium Tower B, Plot no 31 & 32, Financial District, Gachibowli, Hyderabad-500032
AUDITORS	M/s JCR& Co, Chartered accountants, Mumbai.		
INTERNAL AUDITORS	M/s. Satyendra & Associates, Chartered Accountant		

NOTICE

PERFECT INFRAENGINEERS LIMITED

CIN: L29190MH1996PLC099583

R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai Thane – 400708, Maharashtra,
India, Tel: 022-2760 6264, Email: mm@perfectinfra.com and
Website: <https://www.perfectinfra.com/>

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PERFECT INFRAENGINEERS LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 24, 2022 AT 11.00 A.M. IST THROUGH VIDEO CONFERENCE / OTHER AUDIO-VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESSES:

Ordinary Business:

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon;

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

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. **To Reappoint M/s JCR & Co. as Statutory Auditors;**

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

RESOLVED THAT pursuant to the provisions of Section 139 read with The Companies (Audit and Auditors) Rules, 2014 and other applicable provisions including any modification or re-enactment thereof if any, of the Companies Act, 2013, M/s JCR & Co., [Membership No.: 160688 / Firm Registration No.: 105270W] be and is hereby re-appointed as the Statutory Auditors of the Company to hold the office for the term of Two years beginning from the conclusion of the ensuing Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company”.

FURTHER RESOLVED THAT any director of the Company be and is hereby authorized to do all such acts, things and deeds as may be deemed necessary to give effect to the above stated resolutions.”

Special Business:

3. To appoint Mr. Raj Shekhar Singh (DIN: 09437623) as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, and the Articles of Association of the Company Mr. Raj Shekhar Singh (DIN: 09437623), who was appointed as an Additional Director (Independent) with effect from December 4, 2021, in respect of whom the Company has received a notice of candidature from a member under Section 160 of the Act and who meets the criteria of independence as prescribed under the Act and SEBI Listing Regulations and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as the Independent Director of the Company to hold office for a tenure of 5 (five) consecutive years with effect from December 4, 2021 to December 3, 2026, not being liable to retire by rotation.”

4. To consider and approve change in designation and remuneration of Mr. Arun Kumar Singh as the Whole-time Director of the Company.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, the consent of the members be and is hereby accorded for the change in designation and appointment of Mr. Arun Kumar Singh (DIN:07509685), as a Whole Time Director of the Company for a period of 5 years, with effect from December 4, 2021 with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said appointment /remuneration in such manner as deemed fit and necessary.

RESOLVED FURTHER THAT the remuneration payable to Mr. Arun Kumar Singh, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time and is approved for a period of 3 years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary or expedient for effecting aforesaid resolution including but not limiting to filing of requisite e-forms with Registrar of Companies, Mumbai.”

For and on behalf of Perfect Infraengineers Limited

Manisha Mehta

Authorized Signatory

Date: 2nd September 2022

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

NOTES:

1. In view of the continuing COVID-19 pandemic and restrictions on movement of individuals at several places in the country, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2022 have permitted conducting Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) during calendar year 2020 without physical presence of the members at common venue. In terms of the said Circulars, the 26th Annual General Meeting (AGM) of the members is held through video conferencing (VC) or other audio visual means (OAVM) enabling participation of Members. Since the AGM will be held through VC / OAVM, the Route Map is not required to be annexed with this Notice.
2. The AGM shall be deemed to be held at the Registered Office of the Company at R-637, TTC Industrial Area, MIDC, T. B. Road, Rabale, Navi Mumbai, Thane – 400708, Maharashtra.
3. Since, the AGM is being conducted through VC/OAVM, appointment of proxies is not applicable. Accordingly, appointment of proxies by the members will not be available.
4. Non-individual Members (i.e., Institutional / Corporate Members) intending to participate through their Authorized Representatives are requested to send a scanned copy (in JPEG / PDF format) of a duly certified Board Resolution authorizing their representative(s) to participate and vote on their behalf at the AGM (through e-voting), pursuant to Section 113 of the Act, to the Company at cs@perfectinfra.com with a copy marked to evoting@nsdl.co.in
5. Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
7. The detail of Directors seeking appointment / re-appointment at this Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 is annexed hereto.
8. In compliance with the aforementioned MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website <https://www.perfectinfra.com/>, website of National Stock Exchange i.e., www.nseindia.com and on the website of NSDL i.e., www.evoting.nsdl.com.
9. Members holding physical shares who have not registered their email addresses can get the same

registered with the company by sending an email to cs@perfectinfra.com

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

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

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

10. Relevant documents referred to in this Notice shall be made available for inspection based on the requests received by the Company at cs@perfectinfra.com or at the registered office of the Company during business hour.
11. Members may note that, as mandated by SEBI, effective April 1, 2019, requests for effecting transfer of securities held in physical mode cannot be processed by the Company, unless the securities are held in dematerialized form. Hence, Members are requested to dematerialize their shares if held in physical form.
12. Any person becoming a Member of the Company after the Notice of the Meeting is sent out through e-mail and holds shares as on the cut-off date i.e., September 17, 2022, may obtain the user ID and Password by sending a request to evoting@nsdl.co.in and can exercise their voting rights through remote e-voting by following the instructions listed herein below or by voting facility provided during the meeting
13. The business set out in the notice will be transacted through remote e-voting system and the instructions and other information relating to remote e-voting provided by National Securities Depository Limited are given herein below in this Notice. In case of any queries or grievances in connection with remote e-voting, the shareholders may write to the registered office address of the Company.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 Company is pleased to provide the members to exercise their right to vote at 26th Annual General Meeting of the Company by electronic means through E-voting facility provided by National Securities Depository Limited.
15. Ms. Prajakta Padhye (FCS :7478, CP:7891), Partner of Nilesh A. Pradhan & Co. LLP, Company

Secretaries have been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall immediately after the conclusion of voting at the meeting unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and prepare Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman or Director or Company Secretary authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

E-VOTING:

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

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

The remote e-voting period begins on Wednesday, September 21, 2022 at 9:00 A.M. and ends on Friday, September 23, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

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

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@perfectinfra.com. with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. All the grievances connected with the facility for voting by electronic means may be addressed to Mr. Amit Vishal at amitv@nsdl.co.in or Ms. Pallavi Mhatre at pallavid@nsdl.co.in or call on toll free no.: 1800-222-990 or 022-24994545 or send a request to evoting@nsdl.co.in

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

Please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@perfectinfra.com.

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

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

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

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND
SECRETARIAL STANDARD-2 ON GENERAL MEETING ISSUED BY THE INSTITUTE OF COMPANY
SECRETARIES OF INDIA**

ITEM No. 2

In terms of Regulation 36(5) of SEBI (LODR) Regulation, 2015, M/s JCR & Co., Chartered Accountants are proposed and recommended by the Board of Directors and the Audit Committee to be re-appointed as the Statutory Auditor of the Company for a tenure of 2 years at an annual consideration of Rs.1,83,000 exclusive of GST.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends their appointment and payment of remuneration after approval of the shareholders.

ITEM NO. 3

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Raj Shekhar Singh as an Additional Director (Independent) with effect from December 4, 2022, for a term up to 5 (five) consecutive years each from the date of his appointment, subject to the approval of the Members at the Annual General Meeting.

Mr. Raj Shekhar Singh is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have consented to act as Independent Directors of the Company. The Company has also received from the Director, declarations to the effect that he meets the criteria of independence as prescribed under Section 149 of the Act and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and declarations that he is not debarred from holding office of director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, the Director fulfils the conditions of Independence as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for such appointment and are independent of the Management.

Brief profile of the Director, nature of their expertise in specified functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standard – 2 (SS-2) are provided in the Annexure to this notice. The same shall be treated as justification of appointment of appointees as an Independent Director as per SS-2.

Except Mr. Raj Shekhar Singh, the appointee Director, none of the other Directors, Key Managerial

Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions proposed in Item No 3 respectively.

The Board of Directors believes that the association of this Independent Director would be of immense benefit to the Company considering their expertise and experience and accordingly, recommends passing of the resolution set forth under Item Nos. 3 of the accompanying Notice as **Ordinary Resolutions** by the Member.

ITEM NO. 4

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee approved change in designation of Mr. Arun Kumar Singh, Whole-Time Director of the company with effect from December 4, 2021, for a term up to 5 (five) consecutive years each from the date of his appointment, subject to the approval of the Members at the Annual General Meeting.

The details of the terms of remuneration payable to Mr. Arun Kumar Singh is as follows:

Particulars	Entitlements
Tenure of Remuneration	3 years with effect from December 4, 2021 to December 3, 2024
Salary inclusive of all allowances and incentives	Upto Rs 6,00,000 per annum. The Director shall be entitled to such increment from time to time as the Board may by its discretion determine.
Perquisites and allowances in addition to salary	He will be entitled for Company's contribution to Provident Fund and Leave Encashment as per the HR Policy of the Company. The other perquisites, benefits, and allowance will be as may be decided by Board and / or Nomination and Remuneration Committee from time to time.
Retirement Benefits	Gratuity payable shall be in accordance with the Gratuity Rules. Earned Leave on full pay and allowances as per the rules of the Company, leave accumulated shall be encashable at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
Other benefits	The Director shall be entitled to reimbursement of actual expenses like Vehicle, Guest Entertainment, Travelling Expenses actually and properly incurred during the course of doing legitimate business of the company.
Minimum Remuneration	The aggregate of the remuneration and perquisites as aforesaid, in any financial year, shall not exceed the limit set out under Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 or any statutory modifications or re-enactments thereof for the time being in force, or otherwise as

	<p>may be permissible at law.</p> <p>Provided that where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Managing Director as and by way of minimum remuneration, subject to the applicable provisions of Schedule V of the Act and the approval of the Central Government, if required, or any other approvals as may be required under law.</p>
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Brief profile of Mr. Arun Kumar Singh, his nature of expertise in specified functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standard – 2 are provided in the Annexure to this notice.

A detailed statement as per the requirement of the provisions of Point IV, Part B, Section II, Part II of Schedule V of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION: -

- (1) **Nature of Industry:** - Manufacturing of Hybrid Solar Thermal Panel and MEPL Contracting
- (2) **Date or Excepted date of Commencement of Commercial Production:** - May, 1996
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus:** - NA
- (4) **Financial Performance based on given indicators**

The brief statement indicating our profit related figures is given below:

Particulars	2021-22	2020-21
Total Income	4,66,03,629	35,616,446
Less: Expenditure and Depreciation	6,31,69,408	34,536,201
Prior Period Items		
Profit Before Tax (PBT)	(1,65,65,779)	1,080,245
Less: Tax expenses	23,20,288	2,757,370
Profit After Tax (PAT)	(1,88,86,067)	(1,677,125)

- (5) **Foreign Investments or Collaborations, if any** – The Company's foreign collaborator, SunTrac Solar Manufacturing LLC, is holding 9.04% of the equity shares.

II. INFORMATION ABOUT THE APPOINTEE

Background details	Mentioned in the disclosure under SS-2 and Regulation 36(3) of LODR Regulations
Past remuneration	Mentioned in the disclosure under SS-2 and Regulation 36(3) of LODR Regulations
Recognition or awards	NA
Job profile and his suitability	He intends to help Perfect Infraengineers Ltd in its growth path through his new innovative ideas and methods.
Remuneration proposed	The terms of remuneration proposed are detailed in the Resolution and explanatory statement
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	For the responsibility shouldered by Mr. Arun Kumar Singh, Whole time Director of the Company in driving the Company's growth plans, the remuneration paid to him is commensurate and compares favorably with the Compensations paid to the business heads of liked sized and similarly positioned businesses.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mentioned in the disclosure under SS-2 and Regulation 36(3) of LODR Regulations

III. OTHER INFORMATION:

1. **Reasons of loss or inadequate profits**

Due to change from contracting to manufacturing of Hybrid Solar Thermal Panels and depreciation or any other unforeseen reasons we may have inadequate profits to meet the proposed remuneration out of profits.

2. **Steps taken or proposed to be taken for improvement**

We are in process of increasing our capacity to bring economies of scale to our business and will certainly boost our profitability.

3. **Expected increase in productivity and profits in measurable terms**

We as such cannot quantify the increase in profits in coming years.

IV. DISCLOSURES:

The Remuneration package of the managerial personnel has been provided in the notice.

Except Mr. Krishna Mehta, Whole time Director of the Company, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item No. 4.

The Board of Directors recommends the resolution in relation to appointment and remuneration of Director, for the approval of the members of the Company by way of a **Special Resolution**.

Particulars of Directors seeking Appointment / Reappointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Secretarial Standards-2 prescribed for General Meetings:

Name of Director	Mr. Raj Shekhar Singh	Mr. Arun Kumar Singh
DIN	09437623	07509685
Type	Independent Director	Whole time Director
Age	60 years	56 years
Date of first appointment as Director	December 04, 2021	November 14, 2019
Date of Appointment in current designation	December 04, 2021	December 04, 2021
No. of Equity Shares held in company as on 31 st March, 2022	Nil	Nil
Educational Qualification	<ul style="list-style-type: none">Graduate (B.Sc.)Advance Certificate in Maritime Operations.Diploma in Applied Science (shipmaster)Human Relation and Management.Lead Auditor Course conducted by ABS Industrial Certification (India) Pvt. Ltd.Internal Safety Auditing Course conducted by ABS Industrial Certification (India) Pvt. Ltd.Training for Trainers and Assessor Course from School of Synergic Studies Mumbai, approved by D.G. Shipping, Govt. of India.	BE (EQ) from Naval Institute of Aeronautical Technology, Kochi, Kerala (Ministry of HRD, GOI recognized)
Experience	37 years of experience	26 years of experience
Terms and Conditions of appointment/re-appointment	Appointed as an Independent Director of the Company not liable to retire by rotation	To be appointed as a Whole time Director, not liable to retire by

		rotation for a tenure of 5 years form December 4, 2021 to December 3, 2026.
Directorships held in other Companies	NA	Mr. Arun Kumar is director in 4 private Companies 1. Naptune Infracom Private Limited 2. Ishan Marine Solutions Private Limited 3. Sarita Network Tele Solution Private Limited 4. Arunodaya Ship Management Private Limited
Particulars of Committee Chairmanship / Membership held in other Companies **Covers two committees namely, Audit Committee and Stakeholders' Relationship Committee and excludes Committee position held in private limited Companies, foreign Companies and Section 8 Companies.	NA	NA
Relationship with other Directors, Managers & KMP	NA	None
No. of board meetings attended during the financial year 2020-21	4	5
Remuneration Sought to be paid	NA	As mentioned in the explanatory statement of this notice
Remuneration last paid	NA	NA
Brief Profile	Mr. Raj Shekhar Singh is a maritime specialist with over 37 years of experience. He has experience with working both on ship and at shore and is now working as the head of training/ Project at Coral Maritime Institute of Learning and Development.	Mr. Arun Kumar is an engineer with specialization in electronics. He is currently Managing Director and CEO of Naptune Infracom Private Limited wherein he is a pioneer in driving the business towards growth and diversification.

Nature of expertise in specific functional area	Organizational Skills, Decision making bases on multiple criteria analysis, Teamwork, Presentation and Communication Skills.	Managerial and functional, Quality Assurance and Engineering, Technical Services, Networking Planning, Design and Administration
Justification for choosing the appointee as Independent Director	Mr. Raj Shekhar Singh has a vast experience in Maritime Industry which has given him the skills of good communication and organizational skills.	Not Applicable

DIRECTOR'S REPORT

Your Director's take pleasure in presenting the 26th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2022. The consolidated performance of the Company and its subsidiaries has been referred to wherever required however the report is based on standalone financial statements only.

1. FINANCIAL RESULTS

Particulars	Period	
	March 31, 2022	March 31, 2021
Total Income (I)	4,66,03,629	35,616,446
Less: Expenditure	5,19,94,834	2,99,66,065
Less: Depreciation	1,11,74,574	4,570,136
Total Expenditure (II)	6,31,69,408	34,536,201
Profit Before Tax (PBT) (I-II)	(1,65,65,779)	1,080,245
Less: Tax expenses	23,20,288	-2,757,370
Profit After Tax (PAT)	(1,88,86,067)	(1,677,125)

During the financial year under review, on a standalone basis, the Company recorded revenue of Rs 4,66,03,629 as against Rs. 35,616,446 in the previous year. Net profit for the year stood at Rs. (1,88,86,067) as compared to (1,677,125) in the previous year.

2. NATURE OF BUSINESS

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

3. TRANSFER TO RESERVE

The Board has not recommended any amount to transfer to General Reserve during the year 2021-2022.

4. DIVIDEND

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

5. SHARE CAPITAL

The paid-up share capital of the Company is Rs. 11,06,37,780/- divided into 1,10,63,778 equity shares of Rs. 10/- each as on March 31, 2022.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:

As on 31st March, 2022, the Company does not have Subsidiary and Associate Company pursuant to the provisions of the Companies Act, 2013. The subsidiary of the Company Perfect Control Panels Private Limited has ceased to be the subsidiary of the Company w.e.f. 30th September 2021.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions entered during the financial year under review were on an arm's length basis and in the ordinary course of business. There were no transactions for which consent of the Board of Directors were required to be taken. As prescribed by Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts/arrangements with Related Parties are given in Form AOC-2, annexed as **"Annexure 1"** to this Report.

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

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

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

A) CONSERVATION OF ENERGY

i. Steps taken or impact on Conservation of Energy

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

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

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

iii. Capital Investments on energy conservation equipment

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

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

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

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. Payments in foreign currency towards Imports:

Imports at CIF Value	2021-22	2020-21
Raw Materials and Traded goods (Rs.)	12,25,584	Nil
Capital Goods	Nil	Nil

ii. Payments in foreign currency towards Expenditure:

Imports at CIF Value	2021-22	2020-21
Technical know-how fees (WIP)	-	-
Capital Goods	-	-
Travelling Expenses	-	-

iii. Earnings in foreign currency on Accrual basis:

Earnings in foreign currency	2021-22	2020-21
Exports – Products	-	-
Exports – Services	-	-

iv. Net Gain or Loss on Foreign Currency Translation

Description	2021-22	2020-21
Profit on Foreign Currency Translation	-	-

10. ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the 96 Annual Return as at March 31, 2022 on its website at <https://perfectinfra.com/hvac/>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

11. RISK MANAGEMENT:

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

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

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

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

13. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual financial statements for the year ended March 31, 2022, 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, 2022 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, 2022;
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, 2022 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. Krishna Mehta (DIN: 08458633) was appointed by the shareholders in the General Meeting held on September 6, 2021 as a Whole-time Director.

Mr. Raj Shekhar Singh (DIN: 09437623) was appointed by the Board of Directors in the Board Meeting held on December 4, 2021 as an Independent Director

Designation of Mr. Arun Kumar Singh (DIN: 07509685) was changed from Independent Director to Whole-time Director in the Board Meeting held on December 4, 2021

Cessation of the Directors

During the year, Mr. Parth Mehta (DIN; 08458118) resigned as Director with effect from December 21, 2021.

Mr. Krishna Mehta (DIN: 08458633) resigned as Whole time Director with effect from December 22, 2021.

Appointment of Key Managerial Personnel

Designation of Mr. Arun Kumar Singh (DIN: 07509685) was changed from Independent Director to Whole-time Director in the Board Meeting held on December 4, 2021

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, 5 (Five) Meetings of the Board of Directors of the Company were held viz on June 30, 2021, August 12, 2021, November 14, 2021, December 4, 2021 & March 26, 2022

17. PARTICULARS OF EMPLOYEES:

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

18. AUDITORS:

STATUTORY AUDITORS:

At the 21st Annual General Meeting of the Company held on September 27, 2017 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. As their term expires in this AGM, the Board has decided to re-appoint the Auditors for a period of 2 years from the ensuing AGM till the conclusion of 28th AGM of the Company.

AUDITORS' REPORT:

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

Sr. No.	Auditors Qualification /reservation /adverse remark /disclaimer	Managements Reply
Qualifications		
1.	The company has not provided the interest of Rs 62.10 lacs on OD in the books of accounts due to which expenses are understated to that extent.	Since there is a legal dispute wherein the DRT, Pune itself has excluded the interest in one of its orders dated 23.03.2022, the management decided to not include it in the financials
2.	Out of the Outstanding debtors of Rs.1,07,74,102, company has written off Rs.5,94,245 as bad debts during the year. Since the recovery proceedings are pending before NCLT, provisions amount is shorter than what is required. To the extent of such lower booking of provisions, loss for the year is understated.	The management is of the opinion that the cases for which provision is not made will be in the favor of the Company and amount will be recoverable. And for the receivables which are not recoverable is already provided for in previous year.
3.	As per management approximate 30% of the inventory are slow moving items. Also management have not carried out physical verification of inventory. Auditors performed alternate audit procedures but the correctness of carrying value could not be derived. We are unable to obtain the sufficient audit evidence to express our audit opinion on its carrying value.	Due to COVID there were some Government restrictions in place due to which inventories were moving slow, but in the current year all material movements have been initiated. Hence there is no impact on the Financials of the Company.
4.	Loan recalled by TDB has been not classified as Current Liabilities but shown as Non-Current.	TDB has agreed for a moratorium of 2 years starting from March 2021 and the supplementary deed is in the process.
Other Comments		
1.	NA	NA

Auditors Comment on Internal Financial Control		
1.	NA	NA

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

SECRETARIAL AUDITOR:

M/s. Nilesh A. Pradhan & Co.LLP, Practising Company Secretaries was appointed to conduct the Secretarial Audit of the Company for the Financial Year 2021-2022 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. 2021-22 is appended as “**Annexure 2**” to this Report. The following are the qualifications, reservations, adverse remarks mentioned in the Secretarial Audit Report and management reply against the same:

Sr. No.	Secretarial Auditors Qualification /reservation /adverse remark /disclaimer	Managements Reply
1.	The Company has appointed Mr. Raj Shekhar Singh as Director with effect from 4 th December, 2021 without having approved DIN (Director Identification Number) as per Section 153 read with Rule 9 of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 and without having Registration with Independent Director Databank as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Director Identification Number for Mr. Raj Shekhar Singh was approved on 15 th December, 2021 and he has obtained the Registration with Independent Director Databank on 21 st May, 2022	The Company had appointed Mr Raj Shekhar Singh on the basis of subject to approval of DIN, as there was an urgency to meet with the requirements of Composition of Board, the Company wanted to avoid attracting the penalty of exchange, hence it was not intentional to commit a non-compliance.
2.	There was delay of two (2) days in the submission of financial results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The meeting which was to be held for approving the financials could not be completed on the same day and had to be taken up the next day hence there was a delay of two days in submission

	for the financial year ended 31 st March,2021. The Company has paid the fine for the same as per the Notice received from the National Stock Exchange of India Limited	of financials. However we had paid the penalty levied by the exchange.
3.	The Company has issued warning notice to the Designated Person for 53 trading days delay in intimation of disclosure as required under Regulation 7(2)(a) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The said reporting was required to be done by the Designated Person to the Company by 25 th March,2021 and the same was reported on 15 th June,2021. The Company has reported the same to the National Stock Exchange of India Limited pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with SEBI Circular SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.	The Company had done its duty to inform the designated persons not to trade during the closing window period. However, the designated person informed the company that the trading was done inadvertently and not with any intention to deceive. The Company had informed the exchange as soon as it got to know about this situation.

19. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT:

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

20. SECRETARIAL STANDARDS:

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

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

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

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

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

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

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 2021-22. Your Company did not accept any deposits during FY2021-22.

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	58,799
	Total	58,799

25. COST RECORDS:

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

26. CORPORATE SOCIAL RESPONSIBILITY:

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

27. GENERAL DISCLOSURE:

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

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

28. ACKNOWLEDGEMENT:

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

Raj Shekhar Singh
Director
09437623

Arun Kumar Singh
Director
07509685

Date: 20th August, 2022
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, 2022, which were not at arm's length basis.

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

Nature and Particulars of transactions	Name of Related Party/s	Nature of Relationship	Silent Terms	Amount of the Transaction
Purchase of Material	Perfect Control Panels Private Limited	Director Relative of KMP of the Company	Purchase of Solar Hybrid Panel in the ordinary Course of Business	35,05,000
Sale of Shares in Subsidiary	Perfect Control Panels Private Limited	Director Relative of KMP of the Company	Sale of shares	70,04,200
Remuneration	Nimesh Natvarlal Mehta	Promoter (Holding more than 20% of the Share Capital of the Company)	Remuneration to Chief Executive Officer	1,35,00,00
Remuneration	Manisha Nimesh Mehta	Promoter (Holding more than 20% of the Share Capital of the Company)	Remuneration to Chief Financial Officer Officer	16,00,800
Remuneration	Krishna Mehta	Relative of KMP	Marketing head	6,33,984

For PERFECT INFRAENGINEERS LIMITED

Raj Shekhar Singh

Director

09437623

Arun Kumar Singh

Director

07509685

Date: 20th August, 2022

Place: Mumbai

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022 (01-04-2021 to 31-03-2022)

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

Dear Sir(s)/Madams(s)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Perfect Infraengineers Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and submitted by the Company for verification through electronic mode and also the information provided by "the Company", its officers, agents authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company, during the audit period covering the financial year ended 31st March, 2022 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Perfect Infraengineers Limited for the financial year from 1st April, 2021 to 31st March, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;

- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and External Commercial Borrowings;
- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable as the Company has not issued any Share based Employee Benefits during the financial year under review);
 - (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as the Company has not issued any further share capital during the year)
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

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

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

During the financial year from 1st April, 2021 to 31st March, 2022 under review the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. except with the following observation:

1. The Company has appointed Mr. Raj Shekhar Singh as Director with effect from 4th December, 2021 without having approved DIN (Director Identification Number) as per Section 153 read with Rule 9 of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 and without having Registration with Independent Director Databank as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Director Identification Number for Mr. Raj Shekhar Singh was approved on 15th December, 2021 and he has obtained the Registration with Independent Director Databank on 21st May, 2022.
2. There was delay of two (2) days in the submission of financial results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2021. The Company has paid the fine for the same as per the Notice received from the National Stock Exchange of India Limited.
3. The Company has issued warning notice to the Designated Person for 53 trading days delay in intimation of disclosure as required under Regulation 7(2)(a) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The said reporting was required to be done by the Designated Person to the Company by 25th March, 2021 and the same was reported on 15th June, 2021. The Company has reported the same to the National Stock Exchange of India Limited pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with SEBI Circular SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020.

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance except in one case

such instance wherein Board Meeting was called at shorter notice and with respect to which the Company has followed necessary compliances as per the Companies Act, 2013 and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

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

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

Prajakta V. Padhye
Partner
FCS No: 7478
COP No: 7891
PR:1908/2022
UDIN: F007478C000772462

Place: Mumbai

Date: 20th August, 2022

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

ANNEXURE -I

To,
The Members,
Perfect Infraengineers Limited
R-637, TTC INDUSTRIAL AREA, MIDC, T. B. ROAD,
RABALE, NAVI MUMBAI -400708

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

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

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

**Prajakta Padhye
Partner
FCS No: 7478
COP No: 7891
PR:1908/2022
UDIN: F007478C000772462**

Place: Mumbai
Date:20th August,2022

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 2021-2022:

- i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2021-22 is as under:

Sr. No.	Name of Director/ KMP	Designation	Remuneration for F.Y. 2020-2021 (in Rs.)	% change (increase / decrease) during the year	Ratio of Remuneration of each Director/ to median remuneration of employee
2	Mr. Nimesh Mehta	Chief Executive Director	15,60,000	NIL	19.5
3	Mrs. Manisha Mehta	Director	13,20,000	NIL	16.5
4	Ms. Zainab Chanki	Company Secretary	5,04,000	NIL	6.3
5	# Mr. Krishna Mehta	Additional WTD	4,91,700	NIL	7.9
6	## Mr. Arun Kumar Singh	WTD	2,00,000	NIL	2.5

Mr. Krishna Mehta was appointed as an Additional Director of the Company in the capacity of Whole-time Director w.e.f. March 12, 2021 and thereafter resigned from the position w.e.f. December 22, 2021

Mr. Arun Kumar Singh was appointed as WTD of the Company w.e.f. December 4, 2021 and the remuneration of Rs. 6,00,000 p.a. was approved by the Board.

- 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, 2022.
- v. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 21-22 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 21- 22.
- 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 2021-2022:

Sr. No.	Name of Employee	Age	Qualification	Date of commencement of employment	Designation	Experience	Remuneration	Equity shares held
1.	Girija Vinod Patel	45	B.Com	16.03.2006	HR	14	390000	5000
2.	Pravin Pralhad Kapande	37	T.Y.B.com	29.05.2015	Branch Head	5	252000	-

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

FOR PERFECT INFRAENGINEERS LIMITED

Raj Shekhar Singh

Director

09437623

Arun Kumar Singh

Director

07509685

Date: 20th August 2022

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The year 2021-22 brought some relaxations in COVID 19 restrictions which in return enabled stability in the severely hit economy. However, Growth and Profitability still remains in the back seat.

The Company achieved stability in its activities and moved swiftly to meet safety and health related challenges of its people, ensuring business growth.

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.

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.
- Geographical reach: The market for Hybrid Thermal Panel have shown increased growth with many projects coming up in Government sectors. We are cautiously expanding in various states of India.

NEW PRODUCT

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

With the collaboration, 'Perfect' will be the only manufacturing unit of SunTrac outside U.S.A. 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 and in full swing.

The successful implementation/installation of these hi-tech products is likely to alter the landscape of HVAC systems in India. The initial period of the agreement is 6 years renewable on completion of the said period.

- SOL Thermal System Details

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCE

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

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

Financial Ratios

Financial Ratios	Formula	Ratio
Debtors Turnover	Sales/Trade receivables	0.71
Interest Coverage Ratio	EBITD/Interest	-1.3
Current Ratio	Current Assets /Current Liabilities	2.77
Debt Equity Ratio	Total Liabilities/ Total Shareholders' Equity	0.4
Net Profit Margin	Net Profit/ Revenue	-43.98%
Return on Net Worth	Net Profit/ Shareholders' Equity	-8.71%

CFO CERTIFICATION

To,
The Board of Directors
Perfect Infraengineering Limited

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

- 1) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and that to the best of our knowledge and belief :
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal controls systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) we further certify that:
 - a. there have been no significant changes in internal control over financial reporting during the period under review;
 - b. there have been no significant changes in accounting policies made during the period and that the same have been disclosed in the notes to the financial statements; and
 - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

FOR PERFECT INFRAENGINEERS LIMITED

Raj Shekhar Singh
Director
09437623

Arun Kumar Singh
Director
07509685

Date: 20th August 2022

Place: Mumbai



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERFECT INFRAENGINEERS LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion:

We have audited the standalone financial statements of **PERFECT INFRAENGINEERS LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2022, 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 (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter(s) described in the Basis for Qualified Opinion Section, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its statement of Profit & loss, of the loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

We draw attention to the matters described in note no.8 (e) of financial statement whereby the company has outstanding bank OD from ICICI bank. During the year, the company not provided the interest of Rs 62.10 lacs on OD in the books of accounts due to which expenses are understated to that extent.

We draw attention to the note no.30(3)(B), whereby out of the total outstanding debtors a few debtors having outstanding debtors of Rs.1,07,74,102, company has written off Rs.5,94,245 as bad debts during the year. Since the recovery proceedings are pending before NCLT, in our view provisions amount is shorter than what is required. To the extent of such lower booking of provisions, loss for the year is understated.

We draw attention to the note no.16 whereas the company has closing stock of Rs.7.88 crore. As per management, approximate 30% of the inventory are slow moving items. Also management

have not carried out physical verification of inventory. We performed alternate audit procedures but the correctness of carrying value could not be derived. We are unable to obtain the sufficient audit evidence to express our audit opinion on its carrying value.

The loan recalled by TDB has been not classified as Current Liabilities but shown as Non-Current.

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 on the standalone financial statements.

Emphasis of Matter:

We draw your attention to Note 34 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 4.1(e) and 8 to the Statement, whereby the company has been in litigation with TDB & ICICI Bank on existing facilities which can impact future liquidity.

We would like to draw your attention towards non/slow moving current assets like Capital advance, Retention with customer, advance to suppliers and WIP Contract assets. Since the amounts are material any diminution in its carrying value can impact the financials.

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

We draw your attention towards segment reporting whereas the segment wise results are not prepared because the segment wise cost bifurcation is not available.

Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Litigations-Contingencies:

The Company has ongoing litigations with various authorities and third parties which could have significant impact on the results, if the potential exposures were to materialize. Claims against the company not acknowledgment as debt are disclosed in the financial statement by way of note. The outcome of such litigation is uncertain and the position taken by the management involves significant judgment and estimates to determine the likelihood and timing of cash flows. Refer note no:30 to the notes to account.

How our Audit addressed the key audit matter:

Our audit procedure included the following:

- Obtained and read the company's accounting policies in respect of claims, provisions and contingent liabilities to assess the compliance with accounting standards.
- Supporting documents were tested for the positions taken by the management.
- Assessed in accordance with the accounting standards, the provisions in respect of litigations and assessed disclosures relating thereto, including those for contingencies.

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

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

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

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

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

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) We have received the mail confirmation from the company that none of the directors are disqualified as on 31st March, 2022 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 matters to be included in the Auditor’s report under section 197(16) of the act, in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. We are not aware about any other pending litigation which would impact its financial position except those mentioned in notes to accounts to the financial statement.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

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

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

**For JCR & Co
Chartered Accountants
FRN- 105270W**

**Mitesh Chheda
Partner
Mem. No. 160688**

**Date: 30th May 2022
Place: Mumbai
UDIN: 22160688ALPRTY5288**

“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, 2022.

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment. However, the asset tagging is not there and need to be done as part of improvement and demarcation.

(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) We do not have information about the Fixed Assets been physically verified by the management at reasonable interval and hence cannot comment, if any material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and 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 properties were lying with the bank as collateral securities. Out of two properties, photocopies of title deed of Lavasa property are verified by us as other property details not provided by management.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) According to the information and explanations provided to us there are no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Hence reporting under clause 3(i) (e) of the order is not applicable.
- ii. (a) We do not have information about the Inventory physically verified by the management at reasonable intervals. Please refer to basis of qualified matter Para. in main audit report.

(b) According to the information and explanations provided to us and on the basis of our examination of the records of the company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institution on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations provided to us and on the basis of our examination of the records of the company, the company has not made any investment, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

- iv. According to the information and explanations provided to us and on the basis of our examination of the records of the company, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Therefore, the provision of Clause 3(v) of the said Order is not applicable to the Company and hence not commented upon.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, except for Rs.7,79,685/- due towards TDS , PT ,PF and ESIC (Details provided below), the Company is regular in depositing the undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, were outstanding, at the year end, for a period of more than six months from the date they became payable.

Details of Statutory Dues outstanding as on 31-3-2022:

Particulars	Amount (Rs.)
TDS	7,48,498
PF	25,595
PT	375
ESIC	5,218
Total	7,79,685

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in Lakhs.)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra VAT Act	VAT/CST	Rs.18.04	2013-14	Appeal filed before Maharashtra Sales Tax Tribunal Mumbai
Maharashtra VAT act	VAT	Rs.16.51	2015-16	Rectification Order
Maharashtra VAT Act	CST	Rs.4.74	2015-16	Rectification Order
Income Tax Act	Income Tax	Rs.174.55	2018-19	Appeal filed before CIT-A
Income Tax Act	Income Tax	Rs.67.01	2019-20	Rectification

- viii. In terms of the information and explanations given to us and the books of account and records examined by us, the Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence reporting under clause 3(viii) of the order is not applicable.
- ix.(a) The company had availed sanctioned loan soft loan of Rs.750 lakhs from Government (Technology Development Board) out of which Rs.450 lakhs have been received. Also company has Bank OD from ICICI bank. As per agreement with TDB, loan will be repaid in eight installments starting from March 2023 and thus first installment will due in the month of March 2023 and has been recognized under current liabilities. Bank OD from ICICI bank, Company has entered into agreement for onetime settlement in December-2020. During the year company had defaulted in repayment of bank OD. The dispute is pending before court and therefore period wise bifurcation not available.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not availed any term loan.
- (d) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not raised any funds on short term basis.
- (e) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) of the order is not applicable.
- (f) The company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) of the order is not applicable.

- x.(a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year. Accordingly, the provisions of Clause 3(x)(b) of the Order are not applicable to the Company.
- xi.(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, report in the form ADT-4 as specified under sub-section (12) of section 143 of the Companies Act has not been filed. Accordingly reporting under clause 3(xi)(b) of the order is not applicable.
- (c) According to the information and explanations given to us, vigil mechanism not applicable to the company as per Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations and therefore clause not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of the related party transactions have been disclosed in the financial statements as required by the applicable AS.
- xiv.(a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- xvii During the year company has incurred cash losses of Rs.53,91,205/-. Company have not incurred cash losses during immediately preceding financial year.

- xviii There has been no resignation by statutory auditors during the year hence reporting under clause 3(xviii) of the order is not applicable.
- xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, provision of section 135 are not applicable to the company and therefore there is no unspent amount under sub section (5) of section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For JCR & Co
Chartered Accountants
FRN- 105270W

Mitesh Chheda
Partner
Mem. No. 160688

Date: 30th May 2022
Place: Mumbai
UDIN: 22160688ALPRTY5288

“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, 2022 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, 2022:

The control mechanism in respect of recording of transactions needs improvement

In our opinion, except for the possible effects of the significant weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting were operating effectively as of 31st March, 2022, 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 Chheda
Partner
Mem. No. 160688

Date: 30th May 2022
Place: Mumbai
UDIN: 22160688ALPRTY5288

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2022 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting For qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	4,66,03,630	4,66,03,630
	2.	Total Expenditure	6,31,69,408	7,95,59,265
	3.	Net Profit/(Loss)	(1,65,65,779)	(3,29,55,635)
	4.	Earnings Per Share	-1.71	-3.2
	5.	Total Assets	33,54,73,329	33,54,73,329
	6.	Total Liabilities	12,79,73,988	12,79,73,988
	7.	Net Worth	20,74,99,341	19,11,09,484
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification: i.) The company has not provided the interest of Rs 62.10 lacs on OD in the books of accounts due to which expenses are understated to that extent. ii.) Out of the outstanding debtors of Rs.1,07,74,102, company has written off Rs.5,94,245 as bad debts during the year. Since the recovery proceedings are pending before NCLT, provisions amount is shorter than what is required. To the extent of such lower booking of provisions, loss for the year is understated. iii) As per management approximate 30% of the inventory are slow moving items. Also management have not carried out physical verification of inventory. Auditors performed alternate audit procedures but the correctness of carrying value could not be derived. We are unable to obtain the sufficient audit evidence to express our audit opinion on its carrying value. iv) Loan recalled by TDB has been not classified as Current Liabilities but shown as Non-Current			
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	c. Frequency of qualification: Qualification no. 1,3, and 4 have Appeared for the first time. Qualification No. 2 is repetitive.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: i) Since there is a legal dispute wherein the DRT, Pune itself has excluded the interest in one of its orders dated 23.03.2022, the management decided to not include it in the financials. ii) The management is of the opinion that the cases for which provision is not made will be in the favor of the Company and amount will be recoverable. And for the receivables which are not recoverable is already provided for in previous year. iii) Due to COVID there were some Government restrictions in place due to which inventories were moving slow, but in the current year all material movements have been initiated. Hence there is no impact on the Financials of the Company. iv) TDB has agreed for a moratorium of 2 years starting from March 2021 and the supplementary deed is in the process.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: NA			
	(ii) If management is unable to estimate the impact, reasons for the same: NA			
	(iii) Auditors' Comments on (i) or (ii) above: Do not agree with managements to some extent: NA			
III.	<div> <div>•</div> <div>•</div> <div>*CEO/Managing Director</div> <div>•</div> <div>*CFO</div> <div>*Audit Committee Chairman25096066</div> <div>*Statutory Auditor</div> <div>Place: Mumbai</div> <div>Date: 22 June, 2022</div> </div>			

PERFECT INFRAENGINEERS LIMITED
Audited Standalone Balance Sheet as on 31 March, 2022

Amount in Rs.

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I EQUITY & LIABILITIES			
EQUITY			
(a) Share capital	2	11,06,37,780	11,06,37,780
(b) Reserve & Surplus	3	9,68,61,561	11,57,47,628
LIABILITIES			
Non-current liabilities			
(a) Long-term borrowings	4	3,94,33,799	4,62,02,982
(b) Deferred tax liability (net)	5	70,67,488	47,47,200
(c) Other long - term liabilities	6	56,500	1,01,600
(d) Long-term provisions	7	9,27,749	10,95,792
Current liabilities			
(a) Short-term borrowings	8	4,33,71,917	5,02,69,035
(b) Trade payables	9	2,41,93,367	2,03,93,969
(c) Other current liabilities	10	1,16,97,882	96,84,947
(d) Short-term provisions	11	12,25,286	12,37,936
TOTAL EQUITY & LIABILITIES		33,54,73,329	36,01,18,870
II. ASSETS			
Non-current assets			
<u>(a) Property, Plant and Equipments and</u>			
<u>Intangible assets</u>			
Property, Plant and Equipments	12	1,92,51,935	2,10,41,062
Intangible assets	12	8,07,43,471	8,98,11,582
(b) Non Current Investments	13	87,122	1,00,93,122
(c) Long-term loans and advances	14	1,04,74,808	1,06,59,897
(d) Other non-current assets	15	22,14,906	20,03,568
Current assets			
(a) Inventories	16	7,87,81,418	7,20,96,910
(b) Trade receivables	17	5,25,14,528	6,76,89,947
(c) Cash and bank balances	18	1,21,49,500	19,21,130
(d) Short-term loans and advances	19	1,28,73,989	1,15,02,670
(e) Other current assets	20	6,63,81,652	7,32,98,982
TOTAL ASSETS		33,54,73,329	36,01,18,870

Notes form an integral part of the financial statements

Note 2-Note 40

For and on behalf of the Board of Directors

For JCR & Co.
Chartered Accountants
FRN: 105270W

Rakesh Chauhan
Independent Director
DIN 08974505

Arun Singh
Director
DIN 07509685

CA Mitesh Chheda
Partner
M.No. 160688

Manisha Mehta
CFO

Zainab Chanki
CS

Place Mumbai
Date 30th May, 2022

PERFECT INFRAENGINEERS LIMITED
Audited Standalone Statement of Profit & Loss for year ended 31st March, 2022

Amount in Rs.

Particulars	Note No.	31st March,2022	31st March,2021
I. Revenue from operations	21	4,29,43,112	1,29,59,037
II. Other Income	22	36,60,518	2,26,57,409
III. Total Revenue (I + II)		4,66,03,629	3,56,16,446
IV. <u>Expenses:</u>			
Cost of Materials/Services Consumed	23	2,45,64,770	98,49,247
Employee benefits expense	24	83,21,537	63,98,700
Finance costs	25	23,54,604	49,04,511
Depreciation and amortization expense	12	1,11,74,574	45,70,136
Other expenses	26	1,67,53,924	88,13,607
Total Expenses		6,31,69,408	3,45,36,201
V. Profit before tax (III- IV)		(1,65,65,779)	10,80,245
VI. Tax Expense:			
(1) Current tax		-	2,37,654
(2) Deferred tax Liability /(Asset)		23,20,288	25,19,716
(3) Excess Provision of Previous Year			
		23,20,288	27,57,370
VII. Profit (Loss) for the period (V-VI)		(1,88,86,067)	(16,77,125)
VIII. Earnings per equity share:	27		
Face value of Rs. 10 each			
-Basic and Diluted		-1.71	-0.17

Notes form an integral part of the financial

Note 2- Note 40

For and on behalf of the Board of Directors

For JCR & Co.

Rakesh Chauhan

Arun Singh

Chartered Accountants

FRN: 105270W

Independent Director

DIN 08974505

Director

DIN 07509685

CA Mitesh Chheda

Partner

M.No. 160688

Manisha Mehta

CFO

Zainab Chanki

CS

Place: Mumbai

Date: 30th May,2022

PERFECT INFRAENGINEERS LIMITED
Audited Standalone Cashflow Statement for the year ended 31st March,2022

Particulars	FOR THE YEAR ENDED MARCH 31,2022	FOR THE YEAR ENDED MARCH 31,2021
CASH FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax and extraordinary items:	(16,565,779)	1,080,245
Depreciation	11,174,574	4,570,136
Interest Income	(13,238)	(15,876)
Provisions and credit Balances written back	-	(2,324)
Discount	-	2,700,010
(Profit)/Loss on sale of fixed assets	(3,272,336)	(19,260,694)
Excess Provision written off / Bad Debts	-	(3,308,015)
Interest on Borrowings	2,354,604	4,904,511
Share Issue Expenses W/off	-	367,059
Income Tax Provisions	-	(2,757,370)
Operating Profit before Working Capital changes	(6,322,175)	(11,722,318)
Adjustments for:		
Inventories (Increase) / Decrease	(6,684,508)	430,023
Trade Receivables (Increase)/Decrease	15,175,419	16,293,054
Loans and advances (Increase) /Decrease	(1,371,319)	(850,431)
Other non current assets and Current Assets (Increase)/Decrease	6,705,992	4,831,009
Long-term loans and advances (Increase)/ Decrease	185,089	-
Trade payables Increase / (Decrease)	3,799,397	(917,566)
Other current liabilities and provisions Increase/ (Decrease)	2,012,935	357,983
Provisions Increase / (Decrease)	(180,693)	-
Increase/(Decrease) in Deferred Tax liability	-	2,519,716
Cash generated from Operations	13,320,137	10,941,470
Direct taxes received / (paid)	-	237,654
Net Prior Year adjustments	-	-
Cash Flow from Operating Activities	13,320,137	11,179,124
Extraordinary items:		
Extraordinary item	-	-
Net Cash from Operating Activities: (A)	13,320,137	11,179,124
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investment in subsidiary	10,006,000	-
Purchases of Fixed Assets \WIP\Capital Advance	(375,000)	38,150,000
Proceeds from Sale of Fixed Assets	3,330,000	-
Interest Income	13,238	15,876
Net cash generated from/(used in) investing activities (B)	12,974,238	38,165,876
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (Decrease) in Other Long term liability	(45,100)	(8,557,762)
Increase/(Decrease) in Long term Borrowing	(6,769,183)	-
Increase/(Decrease) in Short Term Borrowings	(6,897,118)	(38,554,976)
Interest /Finance Charges paid	(2,354,604)	(4,904,511)
Fixed Deposit held with Bank as margin Money	834,596	4,688,139
Net cash received from/(used in) financing activities (C)	(15,231,409)	(47,329,110)
Net increase in cash and cash equivalents (A + B + C)	11,062,966	2,015,890
Cash and cash equivalents (Opening)	523,347	(1,492,542)
Cash and cash equivalents (Closing)	11,586,313	523,347

- (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 and on behalf of the Board of Directors

For JCR & Co.
Chartered Accountants
FRN: 105270W

Rakesh Chauhan
Independent Director
DIN 08974505

Arun Singh
Director
DIN 07509685

CA Mitesh Chheda
Partner
M.No. 160688

Manisha Mehta
CFO

Zainab Chanki
CS

Place: Mumbai
Date: 30th May, 2022

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2022

NOTE 2: SHARE CAPITAL

	31st March,2022		31st March,2021	
2.1 Authorised				
Equity Shares of Rs. 10 each	13,000,000	130,000,000	13,000,000	130,000,000
2.2 Issued, Subscribed & Paid up				
Shares at the beginning of the period	11,063,778	110,637,780	10,063,778	100,637,780
Add: Issued during the year	-	-	1,000,000	10,000,000
Add: Issued Bonus shares	-	-	-	-
Shares at the end of the period	11,063,778	110,637,780	11,063,778	110,637,780
2.3 Reconciliation of Number of Shares				
Outstanding at Beginning of the period	11,063,778		10,063,778	
Add: Issued during the year for Cash	-		1,000,000	
Add: Issued as Bonus Shares	-		-	
Less: Shares Bought back during the period	-		-	
Outstanding at the end of the period	11,063,778		11,063,778	
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:				
Equity Shares allotted as fully paid bonus shares	-		-	
Shares Issued against Unsecured loan from directors	-		-	
Total	11,063,778		10,063,778	

2.5 Details of Shareholder holding more than 5% shares					
Name of Shareholder	At March 31, 2022		At March 31, 2021		
	Number	% of Holding	Number	% of Holding	
Mr. Nimesh Mehta (**)	2,501,572	22.61	24,34,053	24.19	
Mrs. Manisha Mehta (**)	2,648,832	23.94	25,82,832	25.65	
Suntrac Solar Manufacturing LLC	10,00,000	9.04	10,00,000	9.04	

** Total 57% of promoters holding are pledged with TDB as security towards soft loans of Rs. 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.

2.7 Disclosure of Shareholding Promoters

Disclosure of Shareholding of Promoters is as follows:

Promoter Name	Shares held by promoters				
	As at March 31, 2022		As at March 31, 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	% of change
Nimesh Mehta	2,501,572	22.61%	2,501,572	22.61%	0.00%
Manisha Mehta	2,648,832	23.94%	2,582,832	23.34%	0.60%
Priti Bhanushali	16,667	0.15%	16,667	0.15%	0.00%
Sharmila Singh	18,620	0.17%	18,620	0.17%	0.00%
Total	5,185,691	46.87%	5,119,691	46.27%	0.60%

Note 3: RESERVE AND SURPLUS

	31st March,2022	31st March,2021
3.1 Security Premium		
Opening Balance	90,666,290	73,876,290
Add: Addition during current year	-	16,790,000
Less: Utilised for issue of Bonus Shares		
Closing Balance	90,666,290	90,666,290
3.2 Statement of Profit & Loss		
Opening Balance	25,081,338	26,758,463
Add: Net Profit/(Net Loss) for the Period	(18,886,067)	(1,677,125)
	6,195,271	25,081,338
Add: Transferred to General Reserve	-	-
Closing Balance	6,195,271	25,081,338
Total	96,861,561	115,747,628

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2022

Note 4:	LONG TERM BORROWINGS	31st March,2022	31st March,2021
	(Secured)		
	Term Loan from Banks		
	Term Loan From Others		
	Technology Development Board (TDB) (refer note 4.1 d & e)	39,375,000	45,000,000
	(Unsecured)		
	From Others		
	Loan from Directors	58,799	1,202,982
	Others	-	-
		39,433,799	46,202,982

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

- 4.1 a) Exclusive charge by way of Hypothecation over all movable assets, present and future;
 b) Collateral Security by way of Mortgage Deed of EDM MALL Gaziabad.
 c) KMP's (Manisha Mehta & Nimesh Mehta) of the Company have extended a Personal Guarantee & Corporate Guarantee by Company.
 d) 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))
 e) Loan has been recalled by TDB and they have asked for repayment. However, management is in the process of re-negotiating the terms with TDB and to enter into fresh arrangement with fresh repayment schedules, which is under process and Arbitration and other legal processes has been initiated. Total outstanding loan of Rs.4.50 cr to be repaid in 8 installments starting from March-2023. So 1/8th amount is classified as current maturities of long term liability.

Note 5:	DEFERRED TAX LIABILITIES (Net)	31st March,2022	31st March,2021
5.1 Deferred Tax Liability (A)		4,747,200	2,227,484
	Depreciation/Adjustment	2,320,288	2,519,716
5.2 Deferred Tax Asset (B)			
	On account of Disallowance U/s. 43 B	-	-
		7,067,488	4,747,200

Note 6:	OTHER LONG TERM LIABILITIES	31st March,2022	31st March,2021
	Deposits from Customers	56,500	101,600
		56,500	101,600

Note 7:	LONG TERM PROVISIONS	31st March,2022	31st March,2021
	Provision For Gratuity	927,749	1,095,792
		927,749	1,095,792

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

Note 8:	SHORT TERM BORROWINGS	31st March,2022	31st March,2021
	(Secured)		
8.1	ICICI Bank (refer note 8.1)	43,371,917	50,269,035
		43,371,917	50,269,035

- 8.1 Cash Credit facility from ICICI Bank is secured by :
 a) Exclusive charge by way of Hypothecation over all movable assets, present and future;
 b) Collateral Security by way of Equitable mortgage of certain residential Properties owned by Directors & Immoveable property of the Company in lavasa .
 c) KMP's (Manisha Mehta & Nimesh Mehta) of the Company have extended a Personal Guarantee.
 d) the company has initiated various legal proceeding into city civil court, High court,DRT and Supreme court for the unauthorised and illegal NPA declared by ICICI bank .
 e) During the year company has not provided interest on bank OD as the case is pending in the court.

Note 9:	TRADE PAYABLES	31st March,2022	31st March,2021
	Trade payables for Goods & services		
	A) Total outstanding dues of Micro enterprises and small enterprises	879,784	677,674
	B) Due to Creditors other than micro enterprises and small enterprises.	23,313,583	19,716,295
		24,193,367	20,393,969

Ageing for trade payables outstanding as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	less than 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year		
i. MSME	364,869	240,130	274,785	-		879,784
ii. Others	7,376,083	9,768,949	2,608,687	1,339,283		23,313,583
iii. Disputed Dues - MSME	-	-	-	-		-
iv. Disputed dues - Others	-	31,633	423,800	1,765,148		-
	7,740,952	10,040,712	3,307,272	3,104,431		24,193,367

31st March,2021	
Particulars	Total
i. MSME	677,674
ii. Others	17,495,714
iii. Disputed Dues - MSME	-
iv. Disputed dues - Others	2,220,581
	20,393,969

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

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

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

9.3 Sundry Creditors Ageing is not available for the Year 20-21, hence it has been bifurcated in less than 6 month and more than 6 month

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2022

Note 10:	OTHER CURRENT LIABILITIES	31st March,2022	31st March,2021
1	Current Maturities of Long Term Liabilities (for security refer note 4.1)	-	-
	Due to TDB	5,625,000	-
2	Interest Accrued but not due	5,780,991	3,530,991
3	Statutory Dues payable	(472,042)	4,431,600
4	Security Deposit	-	900,000
5	Employee Benefit payable	51,090	71,090
6	Director Remuneration	314,344	353,494
7	Advance Income	214,966	325,283
8	Other payables	183,533	72,489
		11,697,882	9,684,947

Note 11:	SHORT TERM PROVISIONS	31st March,2022	31st March,2021
1	Provision for Gratuity	100,864	113,514
2	Provision for Income Tax	1,124,422	1,124,422
		1,225,286	1,237,936

Note 13:	NON CURRENT INVESTMENTS	31st March,2022	31st March,2021
	Trade		
	Unquoted Investments		
13.1 In Subsidiaries			
	Investments in Equity Instruments		
	Perfect Controls Panels Private Limited	-	10,006,000
	1901140 (1,90,114) Shares of Rs. 10 each, fully paid (refer note.13.10)		
	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	71,960	71,960

13.1. During the year, all the shares (1000600 Shares) of Subsidiary compnay have been sold on 30-9-2021 (81% shares) & on 31-1-2022 (balance 19%). All the shares has been sold at face value of Rs.10.

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
	87,122	10,093,122

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

Note 14:	LONG TERMS LOANS & ADVANCES	31st March,2022	31st March,2021
	(Unsecured Considered Good)		
1	Capital Advances (see note 14.1)	8,812,711	9,462,800
2	Rent Deposit	900,000	900,000
3	Deposit with Suppliers	67,097	67,097
4	Other Deposits	695,000	230,000
		10,474,808	10,659,897

14.1 Advance for purchase of immoveable property at Pune Taluka

Note 15:	OTHER NON CURRENT ASSETS	31st March,2022	31st March,2021
	(Unsecured Considered Good)		
1	Advance & SA tax & TDS	2,214,906	2,003,568
		2,214,906	2,003,568

Note 16:	INVENTORIES	31st March,2022	31st March,2021
	Stock of raw materials	-	-
	Stock of Spares and Components	-	-
	Others	78,781,418	72,096,910
		78,781,418	72,096,910

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

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2022
Note 17: TRADE RECEIVABLES
31st March,2022
31st March,2021

- 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
(From the due date of payment)

Others

25,446,876

49,853,530

27,067,652

17,836,417

52,514,528

67,689,947

Ageing for trade receivables current outstanding as at March 31,2022 as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 Month to 1 Year	1 - 2 Year	2 - 3 Year	More than 3 Year	
i. MSME	-	-	-	-	-	-
ii. Others	27,067,652	3,141,954	115,870	635,862	11,373,333	42,334,671
iii. Disputed Dues - MSME	-	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	10,179,857	10,179,857
	27,067,652	3,141,954	115,870	635,862	21,553,190	52,514,528

Ageing for trade receivables current outstanding as at March 31,2021 as follows:

Particulars	Outstanding for following periods from due date of payment		
	Less than 6 Month	More than 6 Month	Total
i. MSME	-	-	-
ii. Others	17,836,417	39,079,428	56,915,845
iii. Disputed Dues - MSME	-	-	-
iv. Disputed dues - Others	-	10,774,102	10,774,102
	17,836,417	49,853,530	67,689,947

1 Trade Receivables

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.

17.2 Sundry Debtors Ageing is not available for the Year 20-21, hence it has been bifurcated in less than 6 month and more than 6 month

Note 18: CASH & BANK BALANCES
31st March,2022
31st March,2021
Cash and cash equivalents

Cash on hand

427,700

548,379

Balance with Banks

Balances with banks

11,158,613

(25,032)

1 Margin Money for Bank Guarantees

563,187

1,397,783

12,149,500

1,921,130

Represents Fixed Deposits pledged with bank as margin money for the issue of bank guarantees. Cheque of Rs.21,47,099, Rs.3,00,660, Rs.19,01,140/- and Rs.17,72,100 has not been deposited into bank.

18.1
Note 19: SHORT TERM LOANS & ADVANCES
31st March,2022
31st March,2021
Loans

(Unsecured Considered Good)

Advance to Suppliers

2,623,803

2,623,803

Deposit with Govt. Authorities

1,536,524

1,482,699

Other Advances & Deposits

8,713,661

7,396,167

12,873,989

11,502,670

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,2022
31st March,2021

(Unsecured Considered Good)

Retention with customers

6,954,158

6,954,158

WIP - Contract Asset

52,020,141

59,626,141

Prepaid expenses

6,750

-

Accrued Interest on Bank Fixed Deposit/NSC

7,722

7,722

Other Receivable

5,250,000

4,568,079

Miscellaneous Expenses

2,079,849

2,079,849

Other assets

-

-

TDS Recoverable

63,033

63,033

66,381,653

73,298,982

Note 21: INCOME FROM OPERATIONS
31st March,2022
31st March,2021

Trading/ Installation & Commissioning of AC

30,753,409

3,069,942

Renting of Air Conditioners

6,061,980

6,375,228

Sale of Services

659,903

2,132,546

Operating income

620,900

920,953

Other operating income

4,846,921

460,368

42,943,112

12,959,037

Note 22: OTHER INCOME
31st March,2022
31st March,2021

Interest Income from Bank Deposits

13,238

15,876

Profit on Sale of Fixed Asset

3,272,336

19,260,694

Sundry provisions and credit balances no longer required, written back

-

2,324

Excess Provision of Income Tax no longer required

116,344

3,308,015

Rent Income

112,800

70,500

Discount Received

145,800

-

3,660,518

22,657,409

PERFECT INFRAENGINEERS LIMITED
Notes to financial statements for the year ended 31st March, 2022
Note 23: COST OF MATERIALS / SERVICES CONSUMED
31st March,2022
31st March,2021

Opening Stock of Raw Material	72,096,910	72,526,933
Purchases	30,403,575	7,662,135
Machine Hire Charges		-
Labour	601,726	26,333
Site expenses	243,977	1,730,756
Less: Closing Stock of Raw Material	78,781,418	72,096,910
	24,564,770	9,849,247

Note 24: EMPLOYEE BENEFIT EXPENSES
31st March,2022
31st March,2021

Salaries, wages and bonus	8,401,827	6,064,172
Contribution to provident and other funds	100,403	140,490
Gratuity	(180,693)	194,038
	8,321,537	6,398,700

Note 25: FINANCE EXPENSES
31st March,2022
31st March,2021

Interest paid to Banks	104,604	4,812,387
Other Borrowing Costs	2,250,000	92,124
	2,354,604	4,904,511

Note 26: OTHER EXPENSES
31st March,2022
31st March,2021

1 Auditor's Remuneration (Refer Note 26.1)	109,550	233,000
2 Communication Costs	76,166	67,474
3 Business Promotion expenses	821,102	41,500
4 Discount	13,222	1,796,578
5 Insurance	22,128	50,128
6 Professional Fees	1,956,951	727,353
7 Miscellaneous Expenses	1,677,096	588,738
8 Packing Expenses	400	1,462
9 Power & Fuel	453,181	265,484
10 Postage & Courier Charges	9,601	1,000
11 Printing & Stationery	67,228	4,290
12 Office exp	154,559	334,460
13 Rent Rates & Taxes	323,765	
14 Repairs and Maintenance Expenses	175,410	136,092
15 Security services	240,000	260,000
16 Indirect Taxes Paid	-	262,591
17 Transportation charges	290,756	302,988
18 Society Maintenance Charges	6,544	58,137
19 Sitting Fees	190,000	249,000
20 Travelling & Conveyance	1,489,241	761,280
21 Share Issue Expenses W/off	72,930	367,059
22 Late Fee on TDS, GST & ROC Filling	7,200	-
23 ROC Fees	15,000	14,800
24 Bad Debts	4,440,166	915,194
25 Hotel, Food and Boarding Charges	1,325,626	
26 Legal & Professional Fees	266,100	25,000.00
27 Rent of Rable Office	2,550,000	1,350,000
	16,753,924	8,813,607

26.1 Payment to Auditor
31st March,2022
31st March,2021

Statutory Audit fees	109,550	233,000
	109,550	233,000

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2022

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

Particulars	31st March,2022	31st March,2021
Profit before Tax	(16,565,779)	1,080,245
Less :		
Provision for Tax & Deferred Tax	2,320,288	2,757,370
Profit after tax	(18,886,067)	(1,677,125)
Weighted Number of Shares	11,063,778	10,132,271
Basic & Diluted EPS	<u>(1.71)</u>	<u>(0.17)</u>

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	Miss. Zainab Chanki
WTD	Mr Arun Singh (wef. 4-12-2021)

Independent DirectorsRaj Singh (wef.4-12-2021)
Ms Gurinderkaur Multani
Rakesh Chauhan**Other Related Parties with whom compnay had transactions****Relatives of KMP:**Krishna Mehta (Son of KMP, CEO)
Parth Mehta (Son of KMP, CEO)**Subsidiary Company**

Perfect Control Pannel Pvt Ltd (From 1.4.2021 to 30.9.2021)

Related Party Transactions :

Particulars	31st March,2022	31st March,2021
Key Management Personnel		
Remuneration to CFO/CEO	2,950,800	412,832
Remuneration to KMP (CS & WTD)	682,129	-
Security deposits-repaid to CFO	900,000	-
Other Related Parties		
Salary to Krishna Mehta	633,984	-
		-
Transaction with Subsidiary Co. (from 1-4-2021 to 30-9-2021)		
Purchase of material	3,505,000	5,358,850
Other Related Parties		
Sale of shares of subsidiary co. to Parth Mehta(Perfect Control Panels pvt ltd)	3,502,100	-
Sale of shares of subsidiary co. to Krishna Mehta(Perfect Control Panels pvt ltd)	3,502,100	-
Outstanding Balances		
Other Related Parties		
Receivable from Parth Mehta **	-	-
Receivable from Krishna Mehta **	-	-
(Cheque of Rs.1772100 from Krishna Mehta & Cheque of Rs.2147099 from parth mehta has been received & not presented as on 31-3-2022)		
Salary Payble to Krishna	18,071	-
KMP		
Remuneration payable to CFO/CEO	164,344	446,326
Remuneration payable to other KMP	179,806	-
Secirity deposits from CFO	-	900,000
Loan Payble	58,798	1,295,880
Other Parties		
Perfect Control Panel pvt ltd (subsidiary till 30-9-2021)- payble	16,032,039	11,139,099
Investment in Subsidiary- Perfect control Panel pvt ltd	-	10,006,000

NOTE 29: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006:Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.
As at March 31, 2022, except few, no supplier has intimated to the Company about its status as Micro or Small Enterprises or its registration with the appropriate authority under MSMED and hence information pertaining to Disclosure in accordance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is not furnished by the Company to the extent not received.

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2022

NOTE 30:	CONTINGENT LIABILITIES & COMMITMENTS	31st March, 2022	31st March, 2021
	Description		
30.1	CONTINGENT LIABILITIES		
	Bank Guarantees		
	Disputed Sales Tax liabilities for which appeal has been filed (Amount deposited Rs.53825 for VAT appeal 2013-14) (In March 2022,VAT & CST order for 2015-16 has been received of Rs.1651000 & Rs.474000). As per management, company will avail the benefits of Maharashtra Amnesty Scheme 2022 by paying 20% of outstanding dues.	1,804,000	-
		425,000	-
	Disputed Income Tax liabilities of Rs. 1,74,55,380 for AY 18-19 for which appeal has been filed	17,455,380	-
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		
	16 cases filed against company (PY Eleven were filed)	10,938,071	7,117,699
30.3 B	Cases filed by company		
	Matters with Court		
	i Leo and Coroneae Hotels (Claim amount Rs. 27,50,000/- and Rs. 25,00,000/- EMD Recovery)		
	ii Chartered Hotels (Claim amount Rs. 56,62,407/-)		
	Matters under Insolvency and Bankruptcy Code 2016 (NCLT Mumbai)		
	iii Mumbai Metro One P. Ltd. (Claim amount Rs. 1,87,075/- under Insolvency and Bankruptcy		
	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 anticipated loss against above doubtful amounts @ 10%		
NOTE 31:	EARNINGS & EXPENDITURE IN FOREIGN CURRENCY (on ACCRUAL BASIS):		
	Technical know how fees(WIP)	-	-
	Travelling Expenses	-	-
	Export Sales	-	-
NOTE 32:	VALUE OF IMPORTS (on CIF Basis)		
	Purchase of Goods	1,225,584.00	-

PERFECT INFRAENGINEERS LIMITED

Notes to financial statements for the year ended 31st March, 2021

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.

NOTE 34: 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 35: Operating Leases

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

NOTE 36: Segment Reporting

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

	2022	2021
Segment Revenue	Total sales	Total sales
Renting of AC	6,061,980	6,375,228
Sale of Goods	33,950,664	3,520,741
AMC charges, installation & labour charges	8,669,670	3,063,068
Segment Total	48,684,335	12,959,037
Gross revenue from sale of products & services	48,684,335	12,959,037

Note 36.1 Segment wise results are not available as cost cannot be bifurcate segment wise.

NOTE 37: Additional Regulatory Information

Ratios:

Ratio	Numerator	Denominator	Current year	Previous year
Current ratio (in times)	Total Current assets	Total current liabilities	2.77	2.78
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.40	0.59
Debt service coverage ratio	Earning for Debt service = Net profit after taxes + Non-cash operating expenses + interest + other non-cash adjustments	Debt service= interest payments + principal repayment	(0.10)	0.15
Return on equity ratio (in %)	Profit for the year	Average total equity	-8.71%	-0.74%
Inventory Turnover Ratio	COGS	Average Inventory	0.33	0.13
Trade receivable Turnover ratio	Revenue from operations	Average trade receivables	0.71	0.17
Trade payable turnover ratio	Cost of material & other expenses	Average trade payables	1.85	0.89
Net Working Capital Turnover ratio (in times)	Revenue from operation	Total current assets less total current liabilities	0.30	0.09
Net profit ratio	Profit for the year	Revenue from operation	-43.98%	-12.94%
Return on capital employed	profit before tax and finance cost	Capital employed= Net worth + long term loans + Deferred tax liability	-5.59%	2.16%
Return on investments	Operating profit	Capital employed= Net worth + long term loans + Deferred tax liability	(0.08)	(0.08)

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

NOTE 39: No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

NOTE 40: 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

Rakesh Chauhan
Independent Director
DIN 08974505

Arun Singh
Director
DIN 07509685

Place: Mumbai
Date: 30th May, 2022

Manisha Mehta
CFO

Zainab Chanki
CS

PERFECT INFRAENGINEERS LIMITED

Note: 12 PROPERTY, PLANT AND EQUIPMENTS

Notes forming part of Financial Statements for the period ended 31 March, 2022

(Current Year)

Particulars	Rate	Rate	GROSS BLOCK				DEPRECIATION				Net Block	Net Block
			Balance as on 1-Apr-21	Addition year	Deduction year	Balance as on 31-Mar-22	Balance as on 1-Apr-21	For the year	Adjustment/ Deletion	Total Depreciation	Balance as on 31-Mar-22	Balance as on 31-Mar-21
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS												
(a) Buildings												
Office Buildings	5.00%	4.87%	6,521,950	-	606,950	5,915,000	2,286,436	201,976	549,286	1,939,126	3,975,874	4,235,514
Guest House	5.00%	4.87%	13,765,536	-	-	13,765,536	4,600,287	446,348	-	5,046,634	8,718,902	9,165,249
(b) Plant & Equipments												
Owned	13.91%	18.10%	4,030,913	375,000	-	4,405,913	1,608,198	447,995		2,056,193	2,349,720	2,422,715
Owned, Given on Hire	13.91%	18.10%	33,968,274	-	-	33,968,274	30,055,623	708,190	-	30,763,813	3,204,461	3,912,651
(c) Furniture & Fixtures	25.89%	25.89%	4,161,715	-	-	4,161,715	3,339,372	212,905	-	3,552,277	609,438	822,343
(d) Vehicles	25.89%	25.66%	2,686,483	-	-	2,686,483	2,339,445	89,050	-	2,428,495	257,988	347,038
(e) Office Equipment												
Office Equipment	45.07%	45.07%	392,744	-	-	392,744	373,107	-	-	373,107	19,637	19,637
Computer	63.16%	63.16%	2,318,305	-	-	2,318,305	2,202,390	-	-	2,202,390	115,915	115,915
INTANGIBLE ASSETS												
(a) Software		63.16%	-	-	-	-	-	-	-	-	-	-
(b) Intangible R&D			1,735,419	-	-	1,735,419	260,313	173,541.90	-	433,855	1,301,564	1,475,106
(c) Technical know how fees			88,945,693	-	-	88,945,693	609,217	8,894,569.30	-	9,503,786	79,441,907	88,336,476
Work In Progress												
(a) Technical know how fees		10.00%	-	-	-	-	-	-	-	-	-	-
(b) Capital Wip			-	-	-	-	-	-	-	-	-	-
Asset Held for Sale												
Factory Building	9.50%	9.50%	-	-	-	-	-	-	-	-	-	-
TOTAL			158,527,032	375,000	606,950	158,295,082	47,674,387	11,174,574	549,286	58,299,676	99,995,406	110,852,644
Previous year			196,583,742	88,945,693	127,002,403	158,527,032	60,202,050	4,570,136	19,167,405	45,604,781	112,922,251	134,312,084

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 ten 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

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, 2022

Note: 12.4

During the FY 2021-22, company has sold the Kailash Esplanade property for Rs, .
During the FY 2021-22, company has Purchsed the plant & machinery for Rs.350000.

SIGNIFICANT ACCOUNTING POLICIES for FY 2021-22

1. Basis for preparation of Financial Statements:

The Company is incorporated in the year 1996 under the Companies Act, 1956. During the year, the Company was engaged in the business of manufacturing of HVAC components and equipment & MEP contracting. The Financial Statements have been prepared on a going concern basis under historical cost convention on accrual basis and in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 2013.

2. Use of Estimate:

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

3. Revenue recognition:

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

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

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

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

and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

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

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

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

5. Depreciation:

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

Intangible assets are amortised over a period of 3 years.

6. Impairment of Assets:

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

7. Investments:

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

8. Inventories:

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

9. Foreign currency transactions:

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

10. Employee Benefits:

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

11. Provision for Current and Deferred Tax:

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

12. Provisions, Contingent Liabilities and Contingent Assets:

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

13. Borrowing Cost:

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

14. Leases:

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

15. Provision for Doubtful Debts and Loans and Advances:

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

16. Earnings per share:

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

17. Cash & Cash Equivalents

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