



DIRECTORS' REPORT

**To
The Members,
Perfect Engine Components Private Limited**

Your Directors are pleased to present the 13th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, 31st March, 2018.

1. FINANCIAL RESULTS:-

Particulars	Financial Year ending 31.03.2018 (Rs)	Financial Year ending 31.03.2017 (Rs)
Gross Income	32,93,37,099	27,88,72,593
Profit Before Interest, financial cost & Depreciation	2,99,61,639	3,58,33,936
Finance Charges	79,665	67,888
Interest	1,31,91,370	1,52,09,672
Provision for Depreciation	2,61,63,632	2,36,52,798
Net Profit / (Loss) Before Tax	(94,73,027)	(30,96,422)
Extraordinary Income/ (Loss)	0	(7,56,778)
Provision for Tax	(23,57,463)	17,01,474
Net Profit/ (Loss) After Tax	(71,15,564)	(55,54,675)
Balance of Profit brought forward	(71,15,564)	(55,54,675)
Proposed Dividend on Equity Shares	00	00
Tax on proposed Dividend	00	00
Transfer to General Reserve	00	00
Surplus carried to Balance Sheet	(71,15,564)	(55,54,675)

2. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year 2017-18.

3. STATE OF COMPANY'S AFFAIRS AND BUSINESS PERFORMANCE

The Company has been able to generate income of Rs. 32,93,37,099/- for the year 2017-18 as compared to previous year of Rs. 27,88,72,593/- The Company has not able to generate profit as expenses was more than that of income earned. The Company is in search of new projects in the foreseeable future.





The Board of Directors of the Company had evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally.

4. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

5. DIRECTORS

The Board of Directors of the Company has duly constituted having 2 numbers of Directors namely Chetna Ambrish Shah and Mr. Ramkumar Nair.

During the financial year 2017-18, the Company has not appointed any additional Director. During the year Mr. Ambrish Shah and Mr. Rajesh Jakhotiya (DIN: 05239863) has ceased to be Director of the Company.

Declaration by Independent Directors

Being a private Limited Company, Section 149(6) of Companies Act, 2013 is not applicable to the Company hence no Independent Directors have been appointed.

Details of remuneration to Directors:

There is no Policy formed on Directors' appointment & remuneration, as the Company is not covered in any class as mentioned in Section 178(1) of Companies Act, 2013.

6. MEETINGS OF THE BOARD OF DIRECTORS

During the year, 6 (six) Board Meetings were held and convened. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

7. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information & explanations obtained by them your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013.

- a. In preparation of the Annual Accounts for the financial year ended 31st March 2018, the applicable Accounting Standards have been followed along with proper explanation to material departures, if any;





- b. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit/ loss of the Company, for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the Annual Accounts on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

9. LOAN TO DIRECTOR

The Company has not given any loans to any director or to any other person in whom the directors are interested or advanced any loan represented by Book Debt, or given guarantee or provided any security in connection with any loan taken by director or such other person during the financial year ended on 31st March 2018.

10. LOAN FROM DIRECTORS

During the year the Company has not borrowed the fund from Director of the Company.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not granted any loans, guarantees or made investments during the financial year ended 31st March 2018.





12. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of Balance Sheet.

13. TRANSFER TO RESERVES

The Company did not transfer any amounts to General Reserve during the year.

14. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid.

15. AUDITORS

At the Annual General Meeting held on 28th September, 2017, Gaurav Ajgaonkar & Associates [FRN: 135638W], were appointed as Statutory Auditors of the Company to hold the office for the period of 5 years i.e. from Financial Year 2017-18 to 2021-22, subject to ratification at every Annual General Meeting as per terms of the first proviso to Section 139 of the Companies Act, 2013. Accordingly, the appointment of Gaurav Ajgaonkar & Associates [FRN: 135638W], as Statutory Auditors of the Company will be placed for ratification by Shareholders in the ensuing Annual General Meeting. In this regard, the Company has received the certificate from the Auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

16. AUDIT REPORT

The observation made in Auditors' report read together with the relevant notes thereon, are self explanatory and hence do not call for any comments except matter relating to Inventory.

Further the Chairman states that the Company will take necessary steps to maintain proper records of stocks.

17. SECRETARIAL AUDIT

Section 204 of the Companies Act, 2013 is not applicable to the Company hence Secretarial Audit need not be conducted.



18. INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY AND COMPLIANCE

The Company has taken adequate measures in respect to internal control systems, their adequacy and compliance by continuously monitoring the adequacy and effectiveness of internal controls on the adequacy and effectiveness of the Company's risk management, control and governance process.

19. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no Material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year on 31st March, 2018 to which the financial statements relate and the date of this report.

20. RISK MANAGEMENT POLICY

The Company does take the necessary measures to reduce the Business risk.

21. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Policy is not applicable to the Company.

22. SHARES

During the financial year 2017-18 the Company has not bought back any of its securities, not issued any Sweat Equity Shares, Bonus Shares and not provided any Stock Option Scheme to its employees.

23. OTHER INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows.

A. Conservation of Energy

The Company's operations are not energy-intensive and as such involve low energy consumption. However, adequate measures have been taken to conserve the consumption of energy.

B. Technology Absorption

Operations of the company do not involve any kind of special technology and there was no expenditure on research & development during this financial

year. However, your company continues to upgrade its technology in ensuring it is connected with its clients across the market.

C. Foreign Exchange Earnings and outgo

The Foreign Exchange earnings and outgo during the financial year ended on 31st March, 2018 is as follows:

Particulars	31 st March, 2018	31 st March, 2017
Foreign Exchange Earnings	25,64,564	51,65,172
Foreign Exchange Outgo	----	

D. Human Resource Development and Industrial Relations

Your Company continues to take new initiatives for furtherance of its Human Resource policies to meet the growing needs of its business. It has excellent relationship with its employees.

24. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. (Annexure 1)

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

26. WHISTLE BLOWER/ VIGIL MECHANISM

The Company ensures to Directors, Employees and its Stakeholders the safeguard against unethical behaviors, actual and suspected fraud, violation of ethics, victimization etc by providing direct access to the higher levels of supervisors. Also they may report their genuine concern to the Company by emailing to acount@peclindia.com.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Rules issued there under, the Internal Committee constituted under the said Act has



**PERFECT ENGINE COMPONENTS
PVT. LTD.**

(FORMERLY - SAROD ENGINEERING PRIVATE LIMITED)



**AUTO
VALVES**

confirmed that no complaint / case has been filed / pending with the Company during the year.

28. SECRETARIAL STANDARDS

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October 2017. The Company is in compliance with the revised secretarial standards.

29. ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For Perfect Engine Components Private Limited

Mrs. Chetana Shah
Director
DIN-01338996
Place: - Mumbai
Date: 24.08.2018

Mr. Ramkumar Nair
Director
DIN: 07179781

WORKS: GAT No.: 766, VILLAGE SAHAJPUR, TALUKA DAUND, DISTRICT PUNE-412 202 (INDIA)
TEL.: +91-02119 242160, 242161 • FAX: +91-02119 242243



Regd. Off.: 1101, Viraj Tower, Junction of Andheri Kurla Road, W. E. Highway, Andheri (East), Mumbai - 400 069

CIN No: U29120MH2005PTC150632 Email: finance@perfectenginecomponents.com

<p>Form No. MGT-9 EXTRACT OF ANNUAL RETURN As on the financial year ended on 31.03.2018 of PERFECT ENGINE COMPONENTS PRIVATE LIMITED [Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]</p>

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	U29120MH2005PTC150632
ii)	Registration Date	13.01.2005
iii)	Name of the Company	Perfect Engine Components Private Limited
iv)	Category / Sub-Category of the Company	Company limited by shares and Indian non-government company
v)	Address of the Registered office and contact details	1101, Viraj Tower, Junction of Andheri Kurla Road, W. E. Highway, Andheri (East), Mumbai – 400 069
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

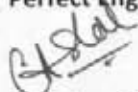
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

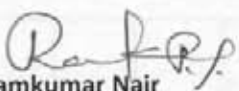
Sr No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Internal Combustion Engine Spares	2811	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Perfect Nivesh Infra Private Limited	U45202MH2014PTC254809	Holding	86.50001	2(46)

For Perfect Engine Components Private Limited


Mrs. Chetana Shah
Director
DIN-01338996


Ramkumar Nair
Director
DIN-07179781

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	260000	260000	86.50001	0	260000	260000	86.50001	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	260000	260000	86.50001	0	260000	260000	86.50001	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	260000	260000	86.50001	0	260000	260000	86.50001	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	40578	40578	13.49999	0	40578	40578	13.49999	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
Sub-total (B)(2):-	0	40578	40578	13.49999	0	40578	40578	13.49999	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	40578	40578	13.49999	0	40578	40578	13.49999	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	300578	300578	100	0	300578	300578	100	0

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1	Perfect Nivesh Infra Private Limited	259990	86.496683	0	259990	86.49668306	0	0
2	Nitan Chhatwal (Held as Nominee of PNIPL)	10	0.0033269	0	10	0.003326923	0	0
		260000	86.50001		260000	86.50000998	0	0

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

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (Allotment of shares as on 19.12.2016):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0	0	0
	At the End of the year (or on the date of separation, if separated during the year)	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel: Not Applicable

Sr No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):(Decrease: Transfer as on 05.06.2015	0	0	0	0
	At the End of the year	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	533,697,298	106,780,365	-	640,477,663
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	533,697,298	106,780,365	-	640,477,663
Change in Indebtedness during the financial year				
Addition	-	18,254,986	-	18,254,986
Reduction	-	-	-	-
Net Change	-	18,254,986	-	18,254,986
Indebtedness at the end of the financial year				
i) Principal Amount	533,697,298	125,035,351	-	658,732,649
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	533,697,298	125,035,351	-	658,732,649

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: N.A

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total (A)	-	-	-
	Ceiling as per the Act			

B. Remuneration to other directors:

Sr No	Particulars of Remuneration	Name of Director		Total Amount
1	Independent Directors	---	---	---
	Fee for attending board / committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	0	0	0
2	Other Non-Executive Directors			
	Fee for attending board / committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-N.A


Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For Perfect Engine Components Private Limited


Mrs. Chetana Shah
 Director
 DIN-01338996


Ramkumar Nair
 Director
 DIN-07179781



**GAURAV AJGAONKAR &
ASSOCIATES**

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Saraswat Colony
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CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of PERFECT ENGINE COMPONENTS PRIVATE LTD.

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **PERFECT ENGINE COMPONENTS PRIVATE LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



**GAURAV AJGAONKAR &
ASSOCIATES**

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CHARTERED ACCOUNTANTS

Auditors' Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the year ended on that date.



**GAURAV AJGAONKAR &
ASSOCIATES**

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Dombivali - East -421201

CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 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, the Statement of Profit and Loss and the cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) in our opinion, the aforesaid standalone financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 "; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



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ASSOCIATES**

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CHARTERED ACCOUNTANTS

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For GAURAV AJGAONKAR & ASSOCIATES



Mr Gaurav A Ajgaonkar
Chartered Accountant
(Proprietor)
M.No : 152528
FRN : 135638W

Place : MUMBAI

Date : 24th August,2018



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CHARTERED ACCOUNTANTS

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date of **PERFECT ENGINE COMPONENTS PRIVATE LTD.** ("the Company"), for the year ended on 31st March, 2018, we report that:

- i. (a) the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) these fixed assets have been physically verified by the management at reasonable intervals; and as far as we are able to ascertain, no discrepancies have been noticed on such verification as compared with the book records.
- (c) According to the information and explanations given to us and on the basis of the records of the Company, the title deeds of immoveable properties are held in the name of the Company.
- ii. The inventory has been physically verified during the year by the management, at reasonable intervals. Since the Company is not maintaining proper Stock Records the discrepancies if any could not be ascertained.
- iii. The company has not granted any loans, secured or unsecured to companies, a firms or covered in the register maintained under section 189 of the Companies Act.
- iv. According to information and explanations given by the management, no loan or guarantee or security under 185 and no guarantee and security under section 186 of the Companies Act,2013 have been given during the year.
- v. The Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under during the year under report.
- vi. The Central Government has not prescribed the maintenance of cost records under prescribed



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CHARTERED ACCOUNTANTS

the maintenance of cost records under section 148 (1) of the Act, for any of the services rendered by the company.

- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, sales tax, Employees State Insurance, income-tax, service tax, duty of custom, duty of excise, VAT, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. The Undisputed Dues in respect of Income Tax , Sales Tax are as follows:

PARTICULARS	AMT.(RS.)
Works Contract Tax (FY 2011-12)	82,505
Works Contract Tax (FY 2011-12)	5,706
Profession Tax (FY 2011-12)	3,77,050
Profession Tax (FY 2012-13)	5,27,900
Profession Tax (FY 2013-14)	4,91,600
Profession Tax (FY 2014-15)	4,13,925
Profession Tax (FY 2015-16)	3,51,900
Profession Tax (FY 2016-17)	3,13,700
TDS on Interest (FY 2015-16)	4,97,206
TDS on Interest (FY 2016-17)	9,86,002
TDS on Interest (FY 2017-18)	12,06,110
Income Tax AY 2010-11	90,90,660
Excise Duty	7,15,715



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CHARTERED ACCOUNTANTS

- b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no disputed dues of Income Tax or Service Tax or Sales Tax or Customs Duty or VAT or Excise Duty or Cess which have not been deposited on account of any disputes and other material statutory dues.
- viii. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks & Financial Institutions. Further Company, does not have any loans or borrowings from government or debentures holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x. During the course of our examination of the books and records of the company, 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 on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.
- xi. Not Applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177



**GAURAV AJGAONKAR &
ASSOCIATES**

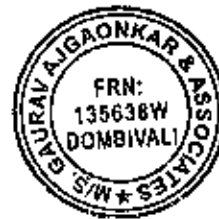
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CHARTERED ACCOUNTANTS

and 188 applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For GAURAV AJGAONKAR & ASSOCIATES



Mr Gaurav A Ajgaonkar
Chartered Accountant
(Proprietor)
M.No : 152528
FRN : 135638W

Place : MUMBAI

Date : 24TH August,2018



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CHARTERED ACCOUNTANTS

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(referred to in our Independent Auditor's Report of even date on the financial statements of PERFECT ENGINE COMPONENTS PRIVATE LTD. for the year ended 31st March 2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PERFECT ENGINE COMPONENTS PRIVATE LTD.** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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CHARTERED ACCOUNTANTS

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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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CHARTERED ACCOUNTANTS

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 GAURAV AJGAONKAR & ASSOCIATES



Mr Gaurav A Ajgaonkar
Chartered Accountant
(Proprietor)
M.No : 152528
FRN : 135638W

Place : MUMBAI

Date : 24TH August,2018

PERFECT ENGINE COMPONENTS PVT. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No	Figures as at the end of (current Reporting Period)	
		(is Rs.) 31/03/2018	(is Rs.) 31/03/2017
1	2	3	4
I EQUITY & LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	30,05,780	30,05,780
(b) Reserves & Surplus	3	(19,54,76,392)	(18,83,60,827)
		(19,24,70,612)	(18,53,55,047)
2 Non-Current Liabilities			
(a) Deferred Tax Liability (Net)	4	30,11,784	53,69,247
(b) Long-term borrowings	5	65,87,32,649	64,04,77,663
(c) Other long term liabilities	6	51,64,646	51,64,646
(d) Long Term Provisions	7	1,18,35,813	1,44,62,329
		67,87,44,892	66,54,73,884
3 Current Liabilities			
(a) Trade payables	8	8,95,76,523	10,86,30,467
(b) Other current liabilities	9	2,64,29,204	2,38,98,000
(c) Short Term Provisions	10	1,09,03,573	94,60,139
		12,69,09,300	14,19,88,606
TOTAL		61,31,83,580	62,21,07,444
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	9,46,28,934	11,56,47,040
(ii) Capital Work in Progress		6,68,103	6,68,103
(ii) Intangible Assets	11	14,53,85,430	13,28,35,151
		24,06,82,467	24,91,50,293
(b) Long-term Loans and Advances	12	6,29,00,060	6,16,29,726
(c) Other non current assets	13	19,23,33,525	19,23,33,525
2 Current Assets			
(a) Inventories	14	7,00,54,253	6,16,25,337
(b) Trade Receivables	15	2,77,35,314	3,77,38,528
(c) Cash and Bank Balances	16	76,51,468	71,31,767
(d) Short-term Loans and Advances	17	1,18,26,494	1,24,98,267
		11,72,67,529	11,89,93,899
TOTAL		61,31,83,580	62,21,07,444

Notes on Financial Statements 27-42

As per our attached report of even date

For & On behalf of

GAURAV AJGAONKAR & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN No. : 135638W

(G. A. AJGAONKAR)

PROPRIETOR

Membership No. 152528

Place : Mumbai

Date : 24th August 2018

On behalf of the Board of Directors

PERFECT ENGINE COMPONENTS PVT LTD



Chetana Shah
DIRECTOR
Chetana Shah
DIN:01338896

Ramkumar Nay
DIRECTOR DIRECTOR
Ramkumar Nay
DIN:07179781

PERFECT ENGINE COMPONENTS PVT. LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Note	Figures for the current reporting period (In Rs.) From 01/04/2017 to 31/03/2018	Figures for the current reporting period (in Rs.) From 01/04/2016 to 31/03/2017
INCOME :			
I Revenue from Operations	18	32,54,30,189	26,89,18,786
II Other Income	19	39,06,910	99,53,806
III Total Revenue		32,93,37,099	27,88,72,593
IV EXPENDITURE :			
(a) Cost of Material Consumed	20	5,17,93,128	4,48,72,525
(b) Purchase of Stock in Trade		13,05,52,599	10,26,44,641
(c) Changes in inventories of finished goods, in progress and stock in trade work	21	(61,72,214)	(2,08,29,839)
(d) Employee Benefits Expenses	22	6,19,78,841	5,82,10,742
(e) Other Expenses	25	6,12,23,106	5,81,40,588
V Total Expenses		29,93,75,460	24,30,38,657
Profit Before Interest, Depreciation Tax and Amortisation		2,99,61,639	3,58,33,936
(f) Finance Costs	23	1,32,71,035	1,52,77,560
(g) Depreciation & Amortisation Expenses	24	2,61,63,632	2,36,52,798
VI V. Profit before exceptional and extraordinary items and tax		(94,73,027)	(30,96,422)
VII Extraordinary Income (Loss)	26	-	(7,56,778)
VIII Tax Expenses			
(a) Current Tax			
(b) Excess/Short Provision of Tax Written Back Income Tax for Prior Period			
(c) Deferred Tax Expenditure / (Income)		(23,57,463)	17,01,474
IX Profit/(Loss) for the year		(71,15,564)	(55,54,675)
X Add: Prior Period (Expenses) / Income			
XI Balance Carried to Balance Sheet		(71,15,564)	(55,54,675)

Notes on Financial Statements

27 -42

As per our attached report of even date

For & On behalf of

GAURAV AJGAONKAR & ASSOCIATES
 CHARTERED ACCOUNTANTS

FRN No. : 135638W

(G. A. AJGAONKAR)
 PROPRIETOR

Membership No. 152528

Place : Mumbai

Date : 24th August 2018

On behalf of the Board of Directors

PERFECT ENGINE COMPONENTS PVT LTD



DIRECTOR
 DIRECTOR
 DIRECTOR
 Aneta Shah Ramakumar
 CIN: 01338996 DIN: 07179781

PERFECT ENGINE COMPONENTS PVT. LTD.
CASH FLOW STATEMENT FOR THE YEAR 1st April 2017 to 31st March 2018

Particulars	Rs.	
Cash flows from operating activities		
Net profit before taxation	(94,73,027)	
<u>Adjustments for:</u>		
Depreciation	2,61,63,632	
Interest income	(1,77,983)	
Interest expense	1,31,91,370	
Operating profit before working capital changes	2,97,03,991	
Decrease in sundry debtors	1,00,03,214	
Increase in inventories	(84,28,916)	
Increase in other current assets	6,71,773	
Increase in other long term loans and advances	(12,70,334)	
Increase in other liabilities	25,31,204	
Decrease in other long term provisions	(26,26,516)	
Increase in other short term provisions	14,43,433	
Decrease in sundry creditors	(1,90,53,944)	
Cash generated from operations	1,29,73,907	
Net cash from operating activities		1,29,73,907
Cash flows from investing activities		
Purchase of fixed assets	(1,60,32,226)	
Interest received	1,77,983	
		(1,58,54,243)
Cash flows from financing activities		
Repayment of Sicom loan		
Term Loan from Shrem Investments Pvt Ltd	1,82,54,986	
Interest paid	(1,31,91,370)	
		50,63,616
Net Increase in cash and cash equivalent		21,83,280
Cash and cash equivalents at beginning of the period		71,31,767
		93,15,047
Cash and cash equivalents at close of the period		76,51,468



Reconciliation of Cash and CashEquivalent with the Balance Sheet :-

Cash and Cash equivalents as per Balance Sheet (Refer Note 15)		76,51,468
Cash and Cash equivalents at the end of the year *		
Cash in Hand	8,28,966	
<u>Bank Balances</u>		
-in Current Account	57,40,283	
-in Deposit Account	10,82,218	76,51,468

As per our attached report of every date
 For & On behalf of
 GAURAV AJGAONKAR & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN No. : 135638W

(G. A. AJGAONKAR)
 PROPRIETOR
 Membership No. 152528

Place : Mumbai
 Date : 24th August 2018



Chetana Shah
 DIRECTOR
 Chetana Shah
 UIN:01338996

Rakshita
 DIRECTOR
 Rakshita Ajgaonkar Nair
 UIN:0179781



On behalf of the Board of Directors

PERFECT ENGINE COMPONENTS PVT LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018:

1. SIGNIFICANT ACCOUNTING POLICIES

a. Cost Convention

The financial statements are prepared;

- i. On the historical cost convention
- ii. On a going concern basis
- iii. In accordance with the Accounting Standard issued by the Institute of Chartered Accountants of India
- iv. On accrual system of accounting
- v. In accordance with the relevant presentation requirements of the Companies Act, 2013.

b. Revenue Recognition

Revenue from sale of products is accounted for on dispatch of goods from the factory based on orders from customers. Sale of products includes excise duty and other taxes.

c. Use of Estimates

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

d. Fixed Assets

- i. Fixed assets are stated at historical cost less accumulated depreciation. Historical cost comprises of the acquisition price and all direct and indirect costs that are attributable in bringing the assets to their working condition for intended use.
- ii. All expenses during construction are allocated to the respective asset proportionately.
- iii. Adjustments arising from exchange rate variations relating to borrowings/ liabilities for the fixed assets are capitalised.

e. Impairment

The carrying amounts of assets are reviewed at each balance sheet date on value in use basis to assess whether they are recorded in excess of their estimated recoverable amount. If the carrying value exceeds the estimated recoverable amount, assets are written down to their estimated recoverable amount.

f. Depreciation

Pursuant to the Provision of Companies Act, 2013 (the Act) becoming effective from 1st April 2014, the Company has adopted to specified useful life of its fixed assets as per Schedule II to the Act and consequently any adjustment for depreciation charged in respect of earlier years will be debited to the reserves of the company.

g. Investments:

Long Term Investments are stated at cost. Permanent diminution in value thereof is provided for



PERFECT ENGINE COMPONENTS PVT LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018:

h. Employee Retirement Benefits

- i. Provisions have been made for gratuity liability in accordance with the Provision of the Payment of Gratuity Act, 1972.
- ii. Provision for encashable leave salary is made on the assumption that such benefits are payable to all employees at the end of the accounting year.

i. Inventories

- i. Raw Materials, Stores, Spares and Consumables are valued at cost or net realisable value whichever is lower.
- ii. Stock-in-process is valued at cost including related production overheads or net realisable value whichever is lower
- iii. Finished goods are valued at cost or net realisable value whichever is lower

Cost includes cost of production and expenses incurred, as allocated by the Management, in putting the inventories in their present condition.

j. Accounting of Cenvat Benefits: -

Cenvat Credit availed under the relevant scheme in respect of Raw material, Packing Material, Fuel, Stores and spares etc. is reduced from the cost of purchase.

Cenvat Credit availed under the relevant scheme in respect of capital goods is reduced from the cost of Fixed Assets.

k. Borrowing Costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Taxation:

- i. Provision for current tax is made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act 1961.
- ii. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date.
- iii. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



PERFECT ENGINE COMPONENTS PVT LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018:

m. Contingencies and Events occurring after the date of Balance Sheet:

Accounting for contingencies (gains and losses) arising out of contractual obligations are made only on the basis of mutual acceptance. Events occurring after the date of balance sheet are accounted for up to the date of approval of the accounts by the board of directors where material.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- i. The company has a present obligation as a result of a past event
- ii. A probable outflow of resources is expected to settle the obligation and
- iii. The amount of obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle the provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- i. Present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- ii. A possible obligation, unless the probability of outflow of resources is removed.

Contingent assets are neither recognised nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

All contingent liabilities are adequately disclosed in the Notes on Accounts.

PERFECT ENGINE COMPONENTS PVT. LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	As at 31st March 2018	As at 31st March 2017
2 SHARE CAPITAL		
AUTHORISED CAPITAL		
310000 (260000) Equity Shares of Rs. 10/- each	31,00,000	31,00,000
TOTAL	<u>31,00,000</u>	<u>31,00,000</u>
ISSUED, SUBSCRIBED, AND PAIDUP		
300578 (260000) Equity Shares of Rs.10/- each fully paid up	30,05,780	30,05,780
TOTAL	<u>30,05,780</u>	<u>30,05,780</u>

1.1 Reconciliation of shares outstanding at beginning and at end

	No. of Shares	
Shares Outstanding at the beginning of the year	2,60,000	2,60,000
Add: Shares Issued during the year	40,578	40,578
Less: Shares bought back during the year	-	-
Shares Outstanding at the end of the year	<u>3,00,578</u>	<u>3,00,578</u>

1.2 The details of Shareholders holding more than 5% Shares:

Name of Shareholder	2017-18		2016-17	
	No. of Shares	% held	No. of Shares	% held
Perfect Nivesh Infra Pvt Ltd	2,60,000	86.50%	2,60,000	86.50%
Edelweiss	40,578	13.50%	40578	13.50%
Total	<u>3,00,578</u>	<u>100.00%</u>	<u>3,00,578</u>	<u>100.00%</u>

1.3 Shares reserved for issue under option/contracts/commitment:

There have been no such shares reserved by the company

1.4 Terms of securities convertible into equity/preference:- NA

1.5 Call unpaid:-N.A

1.6 Last five year details:

for shares allotted pursuant to contract:- N.A

for share issued by way of bonus shares :- N.A

There were no securities bought back by the company during the last five years.



PERFECT ENGINE COMPONENTS PVT. LTD.
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2018

	As at 31st March 2018	As at 31st March 2017
3 RESERVES & SURPLUS		
General Reserve		
Opening Balance	28,41,667	28,41,667
Share Premium Account	6,58,44,297	6,58,44,297
	<u>6,86,85,964</u>	<u>6,86,85,964</u>
Profit & Loss Account		
Opening Balance	(25,70,46,792)	(25,14,92,117)
Add: Profit for the year	(71,15,564)	(55,54,675)
	<u>(26,41,62,356)</u>	<u>(25,70,46,792)</u>
TOTAL	<u>(19,54,76,392)</u>	<u>(18,83,60,827)</u>
4 DEFERRED TAX LIABILITY		
Opening Balance	53,69,247	36,67,773
For the year	(23,57,463)	17,01,474
	<u>30,11,784</u>	<u>53,69,247</u>
5 LONG TERM BORROWINGS		
SECURED		
Term Loan I - Edelweiss	53,36,97,298	53,36,97,298
(0% Secured Term Loan repayable in quarterly installments. Secured by first charge on all the land and building, plant and machinery, other fixed assets, inventory and debtors of the company)		
Term Loan II - Edelweiss		
(The Loan is compulsorily convertible into general equity any time on or before 30th Sept 2017 and such conversion shall result in a stake of 13.50% on a fully diluted basis to Edelweiss.)		
	<u>53,36,97,298</u>	<u>53,36,97,298</u>
UNSECURED		
Deferred payment liabilities	78,76,497	78,76,497
Shrem Investments Pvt Ltd	11,71,58,854	9,89,03,868
	<u>12,50,35,351</u>	<u>10,67,80,365</u>
TOTAL	<u>65,87,32,649</u>	<u>64,04,77,663</u>
6 OTHER LONG TERM LIABILITIES		
Amount Payble to AEPL		
A.V.TRANSPORT	51,64,646	51,64,646
TOTAL	<u>51,64,646</u>	<u>51,64,646</u>
7 LONG TERM PROVISIONS		
Gratuity	69,20,021	77,38,830
Leave Encashment	21,44,786	27,52,493
Provision for Taxation	27,71,006	39,71,006
TOTAL	<u>1,18,35,813</u>	<u>1,44,62,329</u>



PERFECT ENGINE COMPONENTS PVT. LTD.
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2018

	As at 31st March 2018	As at 31st March 2017
8 TRADE PAYABLES		
Sundry Creditors for Goods & Expenses	8,95,76,523	10,86,30,467
TOTAL	8,95,76,523	10,86,30,467
9 OTHER CURRENT LIABILITIES		
Creditors for Capital goods	32,75,147	41,76,899
Other Current Liabilities	2,31,54,057	1,97,21,100
TOTAL	2,64,29,204	2,38,98,000
Other Liabilities includes statutory dues, employee related liabilities, security deposit etc.		
10 SHORT TERM PROVISIONS		
Employee Related	1,06,93,573	92,50,139
Other Provisions	2,10,000	2,10,000
TOTAL	1,09,03,573	94,60,139
12 LONG TERM LOANS & ADVANCES (Unsecured, considered good, unless otherwise stated)		
Karla Engineering Company Ltd	5,42,53,984	5,30,48,862
Advance to Employees	1,28,119	99,327
Deposits	11,62,500	11,49,500
Tax Deducted at Source	3,68,780	3,45,360
Advance Income Tax	15,00,000	15,00,000
Self asst Tax (08-09)	3,41,477	3,41,477
Loan to Shareholder	50,50,000	50,50,000
VAT Refund	95,200	95,200
TOTAL	6,29,00,060	6,16,29,726
13 NON CURRENT ASSETS		
Work in Process (Old)	19,23,33,525	19,23,33,525
	19,23,33,525	19,23,33,525
14 INVENTORIES		
Raw Material	96,03,241	79,40,030
Work in Process	2,43,75,088	1,48,27,284
Finished Goods	2,60,98,806	3,08,41,662
Finished Goods (Trading)	39,47,566	25,80,300
Stores & Consumables	60,29,552	54,36,061
TOTAL	7,00,54,253	6,16,25,337
15 TRADE RECEIVABLES (Unsecured, Considered Good)		
Over six months	47,97,568	64,36,097
Others	2,29,37,745	3,13,02,431
TOTAL	2,77,35,314	3,77,38,528



PERFECT ENGINEERING COMPONENTS PVT LTD

Notes forming part of the financial statements for the year ended 31st March, 2018

Note 11. Fixed assets

Tangible assets	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2017	Additions	Disposals	Balance as at 31 March, 2018	Balance as at 1 April, 2017	Depreciation / amortisation expense for the year	Balance as at 31 March, 2018	Balance as at 31 March, 2017
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
(a) Land & Development	4,33,20,120	-	-	4,33,20,120	-	-	4,33,20,120	4,33,20,120
(b) Building	2,03,66,583	-	-	2,03,66,583	58,18,216	5,72,595	1,39,75,772	1,45,48,367
(c) Plant & Machinery	17,69,37,765	34,11,450	-	18,03,49,216	12,16,95,061	2,33,30,390	3,53,23,765	5,52,42,705
(d) Furniture & Fixtures	43,81,472	-	-	43,81,472	23,24,842	4,64,872	15,91,858	20,56,830
(e) Office Equipment	10,41,424	-	-	10,41,424	9,90,313	-	51,112	51,112
(f) Computers and data processing units	30,32,749	70,497	-	31,03,246	26,32,542	1,32,196	3,38,508	4,00,207
(g) Motor Vehicles	5,54,014	-	-	5,54,014	5,26,314	-	27,700	27,700
Total	24,96,34,128	34,81,947	-	25,31,16,075	13,39,87,088	2,45,00,053	9,46,28,934	11,56,47,040
Previous year								



PERFECT ENGINE COMPONENTS PVT. LTD.

NOTE 11 : ATTACHED TO & FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

11) INTANGIBLE ASSETS

PARTICULARS	COST			AMORTISATION			BOOK VALUE		
	As at 1st April 2017	Additions during the year	Deletions during the year	As at 31st March 2018	Up to 31st March 2017	For the Year	Up to 31st March 2018	As at 31st March 2018	As at 31st March 2017
R & D Expenditure	17,13,53,068	1,42,13,858	-	18,55,66,926	8,15,38,998	16,63,579	8,32,02,577	10,23,64,349	8,98,14,070
Goodwill	4,30,21,081	-	-	4,30,21,081	-	-	-	4,30,21,081	4,30,21,081
Sub-Total (Previous Year)	21,43,74,149	1,42,13,858	-	22,85,88,007	8,15,38,998	16,63,579	8,32,02,577	14,53,85,430	13,28,35,151



PERFECT ENGINE COMPONENTS PVT. LTD.
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2018

	As at 31st March 2018	As at 31st March 2017
16 CASH AND BANK BALANCES		
Balances with Banks	57,40,283	56,74,930
Cash in hand	8,28,966	8,30,648
Fixed Deposit with Bank	10,82,218	6,26,188
TOTAL	76,51,468	71,31,767
17 SHORT TERM LOANS & ADVANCES		
Balance with Central Excise Authorities	23,188	34,58,183
Interest Receivable	1,53,985	-
Advance Paid to Suppliers	1,16,49,321	90,40,084
TOTAL	1,18,26,494	1,24,98,267



PERFECT ENGINE COMPONENTS PVT. LTD.
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2018

	As At 31st March 2018	As At 31st March 2017
18 REVENUE FROM OPERATIONS		
Sale of Products	18,85,93,293	18,96,41,725
Sale of Traded Goods	13,98,68,212	9,98,55,541
	<u>32,84,61,505</u>	<u>28,94,97,266</u>
Less: Excise Duty	30,31,316	2,05,78,480
TOTAL	<u><u>32,54,30,189</u></u>	<u><u>26,89,18,786</u></u>
19 OTHER INCOME		
Discount Received	32,59,947	25,63,025
Sale of Scrap	6,04,585	7,71,424
Sundry Balances writeback	(1,35,605)	65,64,305
Interest	1,77,983	55,052
Octroi Refund	-	-
TOTAL	<u><u>39,06,910</u></u>	<u><u>99,53,806</u></u>
20 COST OF MATERIAL CONSUMED		
Opening Stock	79,40,030	37,49,306
Raw Material Purchased	5,34,56,339	4,90,63,249
Less : Closing Stock	96,03,241	79,40,030
TOTAL	<u><u>5,17,93,128</u></u>	<u><u>4,48,72,525</u></u>
21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Finished Goods/Stock in Trade	33,75,590	(2,08,29,839)
Stock in Process	-95,47,804	-
TOTAL	<u><u>(61,72,214)</u></u>	<u><u>(2,08,29,839)</u></u>
22 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	5,42,00,772	5,10,28,703
Contribution to Provident and Other Funds	25,77,540	26,93,577
Staff Welfare Expenses	52,00,529	44,88,462
TOTAL	<u><u>6,19,78,841</u></u>	<u><u>5,82,10,742</u></u>
23 FINANCE COST		
Interest Expenses	1,31,91,370	1,52,09,672
Other Borrowing Costs	79,665	67,888
TOTAL	<u><u>1,32,71,035</u></u>	<u><u>1,52,77,560</u></u>
24 DEPRECIATION AND AMORTISATION		
On Tangible Assets	24,07,12,994	24,07,12,994
TOTAL	<u><u>24,07,12,994</u></u>	<u><u>24,07,12,994</u></u>



25 OTHER EXPENSES**Manufacturing Expenses****Stores & Consumables Consumed**

Opening Stock	54,36,061	38,11,122
Stores & Consumables Purchased	2,37,46,025	2,21,36,214
Less : Closing Stock	60,29,552	54,36,061
	<u>2,31,52,534</u>	<u>2,05,11,275</u>

Power & Fuel & Water charges	1,94,75,739	1,66,97,194
Sub Contractors Charges	14,20,698	39,74,889
Factory & Machinery Maintainance Charges	36,67,039	52,58,238
	<u>4,77,16,009</u>	<u>4,64,41,596</u>

Administrative, Selling & Distribution Expenses

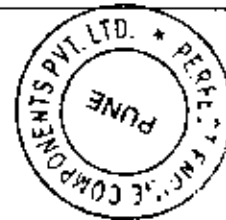
Rates & Taxes	3,52,677	3,80,971
Insurance	-	42,704
Discounts	55,21,274	36,44,260
Misc. Expenses	39,19,940	33,75,526
Legal & Professional Charges	16,54,033	13,24,198
Travelling Expenses	4,55,053	5,90,391
Other Repairs & Maintainance	1,08,139	1,90,313
Selling & Distribution Expenses	14,95,981	21,50,630
Payment to Auditors		
	<u>1,35,07,097</u>	<u>1,16,98,992</u>

TOTAL

<u>6,12,23,106</u>	<u>5,81,40,588</u>
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NOTE 25**EXTRAORDINARY ITEMS**

Write Back on account of restructuring of SBI Loans by EARC	-	5,87,49,923
Less: Write off of Obsolete inventory	-	5,95,06,701
Less: Write off of Sundry Debtors as Bad Debts	-	-
	-	<u>(7,56,778)</u>



	As at 31.3.2018	As at 31.03.2017
27. Estimated amounts of contracts remaining to be executed		
Capital Goods still to be acquired	NIL	89,21,134/-
28. Contingent Liabilities	NIL	NIL
29. Balances of Debtors, Creditors and Loans & Advances are subject to confirmation, reconciliation and adjustments if any.		

PERFECT ENGINE COMPONENTS PVT LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018:

30. In the opinion of the Board, the value on realisation of loans and advances and Current Assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

	Year ended 31.03.2018	Year ended 31.03.2017
31. Payments to Auditors		
(i) As Auditors	1,50,000	1,50,000
(ii) In Other Capacity		
(a) For Tax Audit	60,000	60,000
(b) For Income Tax Assessment	Nil	Nil
(iii) For Expenses	1,910	5,027
	2,15,027	3,64,584
32. CIF Value of Import		
a) Capital Goods	NIL.	NIL.
b) Raw Materials	NIL.	NIL.
33. Expenditure in Foreign Exchange		
a) Travelling	NIL.	NIL.
b) Warehousing	NIL.	NIL.
c) Commission	NIL.	NIL.
	NIL.	NIL.
34. Earnings in Foreign Exchange	25,64,564	51,65,172
35. Directors Remuneration		
a) Salary	NIL.	NIL.

36. In the opinion of the Board, provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

37. Employee Benefits:

Gratuity:

The company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service.



PERFECT ENGINE COMPONENTS PVT LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018:

38. Segment information is as required by Accounting Standard (AS17) "Segment Reporting" prescribed by companies Accounting Standard Rules, 2006. The Company's primary business is manufacturing critical machined engine parts.

The operations of the Company are in India and all assets and liabilities are located in India. An analysis of the gross revenue by products sale is given below:

Name of Product	2017-18 (Rs in lacs)	2016-17 (Rs in lacs)
Valves	1859.59	1728.41
Valve Seat Inserts	1310.57	870.26
Valve Guides	88.11	90.51

39. **Earnings per Share:**

Earning per share is calculated in accordance with Accounting Standard (AS 20) "Earnings Per share" prescribed by Companies Accounting Standards Rules 2006

	As at 31.03.2018	As at 31.03.2017
Outstanding shares (Nos.)	2,60,000	2,60,000
Net Profit/(Loss) after tax	(80,10,781)	(55,54,675)
Earnings per Share	---	---

40. The company has reviewed the future cash flows on the basis of value in use of its assets and has satisfied that the estimated recoverable amount is more than the amount carried in the books. Accordingly no provision for impairment loss is required to be made in these accounts.

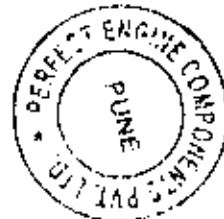
41. Related parties, as defined under Clause 3 of Accounting Standard (AS18) "Related Party Disclosures" prescribed by Companies (Accounting Standard) Amendment Rules 2006 as identified by the Management :-

- I) Transactions have been entered into with the following Enterprise/firms over which Key Management Personnel and their relatives have significant influence:

1. Perfect Engineering Products Limited - Associate Company
2. Perfect Nivesh Infra Pvt Ltd - Holding Company
3. Karla Engine Components Ltd. - Associate Company
4. A. V. Transport - Associate Concern

- II) Following are the Individuals having significant influence or are key management personnel:

Mr. Ramkumar Nair
Mrs. Chetana Shah



PERFECT ENGINE COMPONENTS PVT LTD.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018:

III) The following transactions were carried out during the year with related parties in the ordinary course of business:

Sr. No.	Transactions	Amt.(Rs in lakhs)	
		Current year	Previous Year
1	Managerial Remuneration (including allowances and sitting fees)	NIL	NIL
2	Purchase of goods	1664.81	1303.64
3	Sale of Goods	19.30	8.60
4	Discount Received	31.50	24.58
5	Transportation & Vehicle Hire Charges	0	0
8	Outstanding as at 31 March 2017		
	a) Payable	419.74	678.07
	a) Unsecured Loan	51.64	51.64
	b) Loans & Advances	50.5	50.5

42. Figures in brackets relate to the previous year.

For Gaurav Ajgaonkar & Associates
Chartered Accountants
FRN No. : 135638W

(G.A.A) GAONKAR)
Proprietor
Chartered Accountant
Membership No. : 152528

PLACE: Mumbai
DATE: 24TH August, 2018



Perfect Engine Components Pvt Ltd.
For and Behalf of the Board

Director Director Director
Chetana Shah Ramakumar Neis
DIN: 01338996 DIN: 07179781

