

Ram Agarwal & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member of Perfect Engineering Products Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **Perfect Engineering Products Limited** ("the Company"), which comprise the balance sheet as at March 31st, 2023, the statement of profit and loss, the statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, 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, 2023, its profits and its cash flows for the year ended on that date.

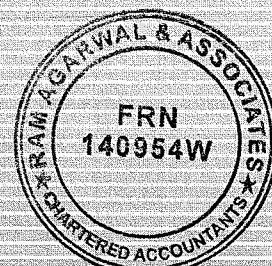
Basis for Qualified Opinion

- (a) We draw attention to the users of Standalone Financial Statement, that on 6th June 2023, The National Company Law Tribunal (NCLT) - Mumbai Bench - IV has admitted application petition bearing CP (IB) No. 1164/MB-IV/2020 filled by, Edelweiss Assets Reconstruction Company Limited (Financial creditor of the Company), under section 7 of the Insolvency & Bankruptcy Code, 2016 (I & B Code) and initiate the proceeding under Corporate Insolvency Resolution Process (CIRP) against the Company (Corporate Debtor).

The Company is confident that suitable resolution plan would be formulated by lenders as per the IBC proceedings at future date. Accordingly financial statements of the Company have been prepared on going concern basis.

- (b) As described in note 4 of the standalone financials Statement, Company has borrowed funds from 5 (five) parties prior financial year 2022-23 Amounting to 3549.32 Lakhs the two major parties having borrowings amount of Rs.3516.26 which comprises 99.07% of the total borrowings. Out of which, we have received restructuring of borrowing sheet amounting to Rs. 1701.00 Lakhs pertains to Edelweiss Dated June 30, 2017. As against borrowing of 1815.26 Lakhs a pertains to Shrem Investment Private Limited out of which adequate term sheet furnished to us amounting to Rs.7.50 Cr dated 3rd June, 2015. And for the balance borrowing supporting has been provided us which is not sufficient and appropriate. Furthermore, balance confirmation of this 5 (five) parties as on 31st March, 2023 is awaited.

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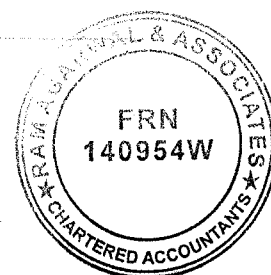


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- (c) As described in note 6 of the standalone financial Statement, Company has outstanding gratuity provisions of Rs. 20.77 Lakhs prior to financial year 2022-23 years details for the same has not been furnished to us. Further, in the current year company has not made any provisions in financial year 2022-23
- (d) GST liability under reverse charge mechanism has neither been ascertained nor provided for in the accounts. Impact of the financials of the Company is not ascertainable.
- (e) With regards to note 9 of the standalone financial statements, the company did not follow the established internal controls such as periodic verification property, plant and equipment's along with its reconciliation with books of accounts.
- (f) As described in the note 10 of the standalone financial statements, Company has not calculated Deferred Tax Assets and Liability for the financial year 2022-23.
- (g) As described in note 12 of the standalone financial statements, an amount of Rs.87.59 Lakhs is receivable from the from respective Authorities (like Income tax on account of refunds and litigated matter of sales tax authorities) company has not furnished any evidence to support the amount receivables. Further provisions if any is required with respect to this transaction has neither been accounted in financial statements nor any explanations provided for the same.
- (h) As described in note 13 of the standalone financial statements, an amount of Rs. 6070.55 Lakhs is receivable from Customers. As per the information provided in the financials statement shared with us, the outstanding amounts is about 13 years old. Which states as "The amount is part of trade receivable and is nonmoving since 2010. party wise and ageing detail is not available with the company"

Other Matter

- (a) The financial statements of the Company for the year ended March, 31 2022. Included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on August 5, 2022.
- (b) There is no system of obtaining periodical confirmation of balances relating to trade receivables, trade payables, loans and advances, current liabilities, current assets and provisions and in many cases the balances are subject to reconciliation. The effect of the same on current assets and current liabilities and on the net profit for the year is not ascertainable. Reconciliation has not been done since last many years. We are unable to obtain direct balance confirmation from parties in the absence of details of parties made available to us.
- (c) The details for interest on delayed payment of statutory dues were not made available. The company has neither ascertained nor worked out the quantum of penal interest, penalties and damages towards default in remitting statutory dues. In the absence of such details, we are unable to express our opinion on adequacy of provision towards interest on delayed payment and its impact on financial statements.



- (d) The Company does not have a qualified Company Secretary as required under the provisions of Section 203 of the Act.
- (e) We are unable to comment on the compliance under section 184, 185, 186, and 189 of the Act. In respect of filling of advance given and transaction with related party entered during the year since as necessary documentations and compliance register is not updated with the company and further it's not provided for our verification and records.
- (f) Company has constituted or not constituted an Audit Committee and with regards to meeting compliances and corrective action to report to the Board. We are unable to express opinion in absence of sufficient and appropriate audit evidences.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder. We have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Other Information

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

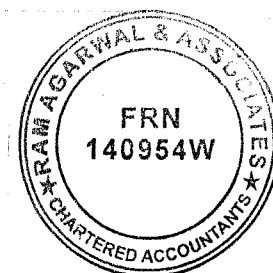
Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or other-wise 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.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors and Management is responsible for the matters stated in section 134(5) of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 and management are also responsible for overseeing the Company's financial reporting process.

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

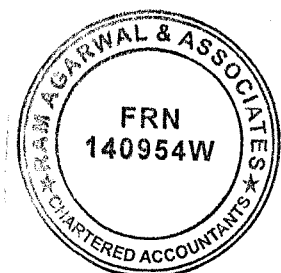
Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 standalone 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 standalone 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 Act, 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

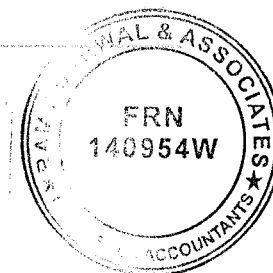


our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, 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. (A) As required by section 143(3) of the Act, read with the paragraph related to Basis for Opinion, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, subject to our observations mentioned in Basis for Qualified Opinion and Other Matters in the above paragraphs, 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account, subject to our observations mentioned above in Basis of Qualified Opinion and Other Matter in above paragraphs;
 - (d) Except for the effects of the matters described in the Basis for Qualified Opinion Paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) We have not received written representations from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

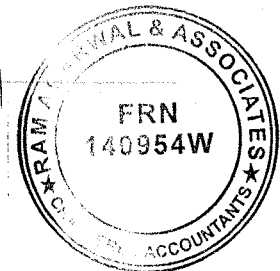


(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) In our opinion, provisions of section 197 of the Companies Act, 2013 apply to the company however in absence of sufficient and appropriate audit evidence we are unable to comment whether company has paid appropriate remuneration to the directors of the company.

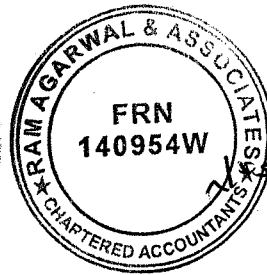
(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has not properly disclosed the impact of pending litigations on its financial position in its standalone financial statements, by way of notes under contingent liabilities as at 31 March 2023. Refer Note 38 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) In absence of sufficient and appropriate records we are unable to comment upon the amounts which were required to be transferred to the Investor Education and Protection Fund (IEPF) 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the company or
 - provide any guarantee, security or the like to or on behalf of 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 or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or



- Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - 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) During the year company has not declared any dividend in compliance to section 123 of the Act.
- f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Mumbai
Date: 30-09-2023



For, Ram Agarwal & Associates
Chartered
Accountants Firm Registration
Number. 140954W
Vishal Mandani
Partner
Membership Number. 129832
UDIN: 23129832BGZINU2018

ANNEXURE A

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF THE PERFECT ENGINEERING PRODUCTS LIMITED FOR THE YEAR ENDED 31st MARCH 2023.

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2023, we report the following:

(Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

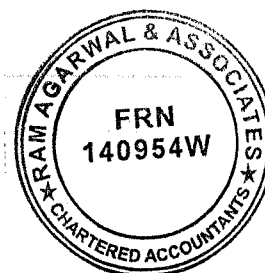
(i) In respect of Property, Plant and Equipment:

- A. The Company has provided records to us which states the value of assets depreciation, useful life and cost of assets. However as quantitative details, situation of the property, plant and equipment's and assets tagging has not been captured in the records available with the company.
- B. As explained to us, the Property, Plant and Equipment's have not physically verified by the management and in absence of such physical verification we are unable to comment on discrepancies.
- C. The title deeds of immovable properties are held in the name of the Company as sufficient information and appropriate evidence supporting and the same made available to us and via e mail dated 30th Sep, 2023.
- D. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- E. There are no proceedings 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.

(ii) In Respect of Inventory

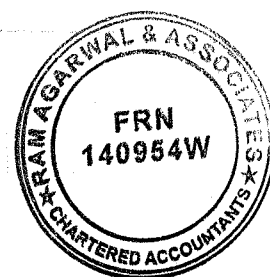
(a) The Management has not conducted physical verification of Inventory (including inventory lying with third parties) during the financial year. We are unable to comment upon the coverage and procedures of such verification by the management is and discrepancies of 10% or more in aggregate for each class of inventory during such physical verification process.

(b) The Company has not been sanctioned working capital limit in excess of Rs. 5 Crores (Five crores) in aggregate from bank or financial institutions during any point of time of the year on the basis of security of the current assets. Accordingly, the requirement to report on clause 3 (ii) (b) of the Order is not applicable to the Company.



- (iii) In absence of Sufficient and appropriate audit evidences we are unable to comment upon the loans and advances in the nature of loans, provided guarantees and security to companies. Since updated statutory registers is not made available to us during the course of our audit verifications.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities made to the Group companies.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, reporting under Clause 3(vi) of the Order is not applicable.
- (vii) (a) According to records of the company, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax and Cess, to the extent applicable to the company, have been regularly deposited with the appropriate authorities except in case of TDS, GST(RCM) and Income Tax there have been delays in payments. According to the information and explanations given to us, undisputed arrears of statutory dues which were outstanding as at 31st March, 2023 for a period more than six months from their respective due dates are as follows -

| Name of the Statute | Nature of the Dues | Amount (Rs. In Lakhs) | Period to which the amount relates |
|----------------------|--------------------|--------------------------|------------------------------------|
| Income Tax Act, 1961 | TDS on Salary | 6.84 | AY 2011-12 |
| Income Tax Act, 1961 | TDS on Salary | 6.97 | AY 2012-13 |
| Income Tax Act, 1961 | TDS on Salary | 7.21 | AY 2013-14 |
| Income Tax Act, 1961 | Income Tax | 291.79 | AY 2007-08 |
| Income Tax Act, 1961 | TDS - General | 68.30 | AY 2007-23 |



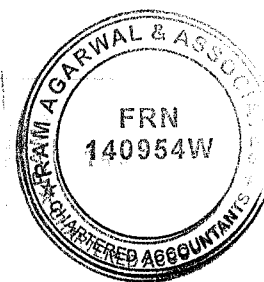
| | | | |
|------------------------------|-----------|-----------------|------------|
| Goods and Services Tax (GST) | GST – RCM | Unascertainable | AY 2023-23 |
|------------------------------|-----------|-----------------|------------|

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

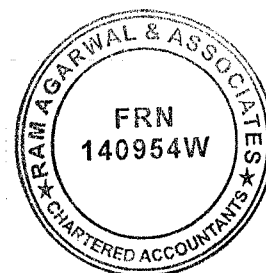
| Name of Statute | Nature of Dues | Amount (Rs. In Lakhs) | Period to which Amount Relates | Forum where Dispute is Pending |
|----------------------|----------------|-----------------------|--------------------------------|-----------------------------------|
| Income Tax Act, 1961 | Income Tax | 779.46 | AY 2007-08 | CPC – Proceeding U/S 271-1-C |
| Income Tax Act, 1961 | Income Tax | 184.75 | AY 2008-09 | CPC – Proceedings U/S 254 |
| Income Tax Act, 1961 | Income Tax | 1.14 | AY 2009-10 | CPC – Proceedings U/S 143(1) |
| Income Tax Act, 1961 | Income Tax | 0.61 | AY 2009-10 | CPC – Proceedings U/S – 115-WE |
| Income Tax Act, 1961 | Income Tax | 18.00 | AY 2015-16 | CPC – Proceedings U/S – 271(1)(C) |
| Income Tax Act, 1961 | Income Tax | 24.41 | AY 2015-16 | CPC – Proceedings U/S – 147 |
| Income Tax Act, 1961 | Income Tax | 9.50 | AY 2017-18 | CPC – Proceedings U/S – 143(3) |
| Income Tax Act, 1961 | Income Tax | 9.34 | AY 2018-19 | CPC – Proceedings U/S – 143(1)a |
| Income Tax Act, 1961 | Income Tax | 12.87 | AY 2019-20 | CPC – Proceedings U/S – 143(1)b |

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



- (ix) In absence of sufficient and appropriate audit evidences we are unable to comment up on clause (ix) sub clause (a) to (f) of CARO, 20 of Para 3 of Companies Act. regarding defaulted in repayments of loans or borrowing or in the payment of interest thereon to any lender, willful defaulter, term loans, raising of funds and utilization of funds and pledge of securities for the associates companies;
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us based on the audit procedures performed, the Company has not made private placement or Equity Shares during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under Clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the Information and explanation given to us, all the transaction with related parties are not in compliance with section 188 and 177 and where applicable the details have been disclosed in the financial statement as required by the accounting standard and Companies Act, 2013.
- (xiv) (a) In our opinion and according to the information and explanations given to us, provisions of Section 138 of the Act is not applicable to company therefore there is no question for consideration of Internal audit report during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under Clause 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (COR) from the RBI as per the Reserve Bank of India Act, 1934.



(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has none CIC as part of the Group.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

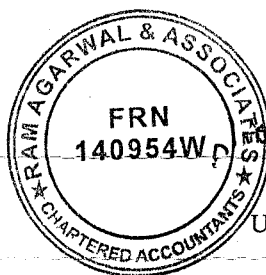
(xviii) There has been resignation of the statutory auditors during the year and we have taken into consideration there has been no issues, objections or concerns raised by the outgoing auditors.

(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 standalone financial statements, our knowledge of the plans of the Board of Directors, management and Insolvency resolution professional (IRP), we are unable to comment on material uncertainty exists as on the date of the audit report that Company is 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) There are no unspent amount towards Corporate Social Responsibility requiring a transfer to a funds specified in schedule VII to the Companies Act in compliance with second proviso to subsection (5) of the section 135 of the said Act. Further, the Company has not undertaken any ongoing project as a part of CSR accordingly, reporting under clause (xx) (a) and (b) of the order are not applicable for the year.

Place: Mumbai
Date: 29-09-2023

For Ram Agarwal and Associates
Chartered Accountants
Firm Reg. No. 140954W



Vishal Mandani
Vishal Mandani
Partner
Membership No. 129832
UDIN: 23129832BGZINU2018

ANNEXURE B

TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF THE PERFECT ENGINEERING PRODUCTS LIMITED FOR THE YEAR ENDED 31st MARCH 2023.

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to standalone financial statements of **Perfect Engineering Products Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

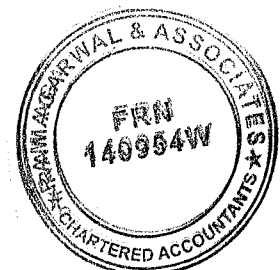
Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating



effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

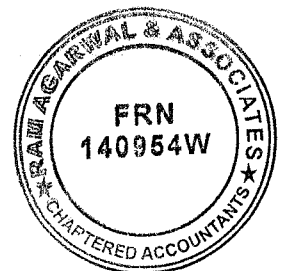
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

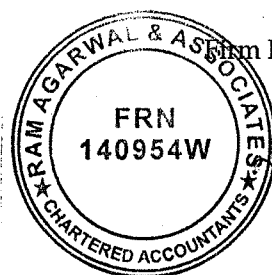
Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Further, considering the inherent limitations of internal financial controls with reference to standalone financial statements, there are limitations in consideration of such controls operating as at the balance sheet date for the future operations of the Company.



Opinion

In our opinion, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section and 'other matter' of our main report the Company has, in all material respects, adequate internal financial controls systems over financial reporting. And based on selective verification of data made available to us digitally, such internal financial control over financial reporting were generally operating effectively as at March 31st, 2023, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Place: Mumbai
Date: 30-09-2023



For, Ram Agarwal & Associates
Chartered Accountants

Firm Registration Number. 140954W

Vishal Mandani

Vishal Mandani
Partner

Membership Number. 129832
UDIN: 23129832BGZINU2018