



PARAG
FANS & COOLING
SYSTEMS LTD.

CORPORATE INFORMATION

Board of Directors

Executive Directors:

Mr. Umesh Nambiar

Mr. Deepak Pagnis

Non Executive Directors:

Mr. Surendra Kumar Badjatia

Mrs. Rukmani Badjatia

Mr. Vijai Singh Barkhatiya

Chief Financial Officer

Mr. Gajendra Madhukar Takwale

Company Secretary & Compliance Officer

CS Mrs. Dipali Lunawat

Bankers

Bank of India

Registrars and Share Transfer Agents

Ankit Consultancy Private Limited

(SEBI REG.No. INR 000000767)

60, Electronic Complex, Pardeshipura,
Indore (M.P.) 452010

Stock Exchange Listing

Metropolitan Stock Exchange of India Limited

4th floor, [Vibgyor tower](#), Opposite [Trident Hotel](#), [Bandra-Kurla Complex](#), [Mumbai](#), India- PIN: 400098

Statutory Auditors

M/s. G.P. Deodhar & Co.

Chartered Accountant

FRN: 102264W

105&106, Crystal Plaza,

276, Central Bazar Road,

Nagpur 440010

Maharashtra, India

Secretarial Auditor

M/s Neelesh Gupta & Co.

Company Secretaries

111, 1st Floor, Ratanmani Complex,

7/1, New Palasia Indore

Internal Auditor

M/s A K Mantri & Associates

Chartered Accountant

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Regd. Office and Works:

Plot no. 1/2B & 1B/3A, Industrial Area No. 1, A. B. Road, Dewas-455 001 (M.P.)India,

Ph: ++91-7272-425100, 425102 Fax: ++91-7272-400273

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the members of the company shall be held on Saturday the 29th September, 2018 at 2:00 P.M at Registered office Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP) to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2018 and the report of the Directors & Auditors thereon.
2. To appoint a director in place of Mrs. RUKMINI BADJATIA (holding DIN 07501462), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-Appointment of Mr. UMESH NAMBIAR (DIN - 02566355) as Whole Time Director of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT subject to the provisions of Sections 196 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members in this Annual General Meeting is hereby accorded for the re-appointment of Mr. UMESH NAMBIAR (DIN: 02566355), as Whole Time Director of the Company for a period of five years W.e.f. 3rd September 2018 on a basic salary of Rs.60,000/- per month with absolute discretion to the Board of Directors to alter and vary the terms and conditions as the board of Directors may in its absolute discretion consider necessary and as may be agreed to by the said director.”

“RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year during the currency of tenure of Shri Umesh Nambiar the aforesaid remuneration shall be minimum remuneration payable to him. However any remuneration in excess over the limits on minimum remuneration prescribed in Schedule V to the Companies Act, 2013, shall be payable to Shri Umesh Nambiar, with the prior approval of the Central Government, if so required.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”

4. Re-Appointment of Mr. DEEPAK PAGNIS (DIN - 02566436) as Whole Time Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT subject to the provisions of Sections 196 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members in this Annual General Meeting is hereby accorded for the re-appointment of Mr. Deepak Pagnis (DIN: 02566436), as Whole Time Director of the Company for a period of five years W.e.f. 03rd September 2018 on a basic salary of Rs.60,000/- per month with absolute discretion to the Board of Directors to alter and vary the terms and conditions as the board of Directors may in its absolute discretion consider necessary and as may be agreed to by the said director.”

“RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of profits in any financial year during the currency of tenure of Shri Deepak Pagnis the aforesaid remuneration shall be minimum remuneration payable to him. However any remuneration in excess over the limits on minimum remuneration prescribed in Schedule V to the Companies Act, 2013, shall be payable to Shri Deepak Pagnis, with the prior approval of the Central Government, if so required.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**By Order of the Board
PARAG FANS AND COOLING SYSTEMS LIMITED**

**Regd Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 03 September, 2018**

**(UMESH NAMBIAR)
Director
DIN: [02566355](#)**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more

than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

3. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of item no. 3 to 4 of the notice set out above, is annexed hereto.
5. The Register of Members and Share transfer Books of the company will remain close from, Wednesday, 26th September, 2018 to Saturday, 29th September, 2018 (both days inclusive).
6. Members are requested to notify immediately any change in their address and E-Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., Ankit Consultancy Private Limited, Located at 60, Electronic Complex, Pardeshipura, Indore, Tel: +91 0731-3198601/602: Fax: +91 0731- 4065798, E-mail: ankit_4321@yahoo.com to receive soft copy of Annual Report of the Company.
7. Members are requested to :
 - a. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - c. Send their questions at least 10 days in advance of the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
8. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
10. In terms of circulars issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
11. The Notice of Annual General Meeting and Annual Report of the Company for the year 2017-18, circulated to the Members of the Company, is available on the Company's website viz. paragfans.com
12. Electronic copy of the Annual report for the year 2017-18 is being sent to the members whose email IDs are registered with the Share Transfer Agent of the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual reports being sent in the permitted mode.

13. SEBI has also mandated that for registration of transfer of securities the transferee(s) as well as the transferor(s) shall furnish a copy their PAN card to the company for registration of transfer of securities.
14. At the meeting, after all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for the same as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.
15. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website paragfans.com not later than 2 (two) days of passing of the resolution at the Annual General Meeting of the Company and will be communicated to the Stock Exchange(s).
16. Members may also note that the Notice of Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot/Poll Paper and the Annual Report for the year 2017-18 will also be available on the company website paragfans.com for their download. For any communication, the shareholders may also send request to the company on the aforementioned Email ID.
17. The Map of Venue of AGM is given at the last page of Annual Report.

Voting through Electronic Means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as per listing agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the below provisions, through the e- voting services provided by CDSL.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **26th September, 2018** at **9.00 a.m.** and ends on **28th September, 2018** at **6.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22nd September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Now to cast your vote: Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / Folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
 - (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN for the relevant “PARAG FANS AND COOLING SYSTEMS LIMITED” on which you choose to vote.
 - (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Company has appointed Mr. Neelesh Gupta, F.C.S a Practicing Company Secretary (C.P. No. 6846 and FCS No. 6381) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- (xxii) A copy of this notice has been placed on the website of the Company and the website of CDSL.
- (xxiii) In case of Members who are entitled to vote but have not electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.

EXHIBIT TO NOTICE

Details of directors seeking appointments/ re- appointments at the Annual General meeting

Name of Director	Mrs.Rukmani Badjatiya
Age	73
Qualification	Graduate
Date of Appointment	18.01.2017
Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2018	Nil

Chairman /Members of the Committees As on 31st March, 2018	Member of Audit Committee & Nomination and remuneration committee
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Name of Director	Mr. Deepak Pagnis
Age	48 years
Qualification	Graduate
Date of Appointment	03 rd Sep 2018
Expertise	Marketing
Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2018	Impact Fans & Cooling Systems Limited
Chairman /Members of the Committees As on 31st March, 2018	Nil

Name of Director	Mr. Umesh Nambiar
Age	40 years
Qualification	Graduate
Date of Appointment	03 rd Sep 2018
Expertise	Marketing
Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2018	No other Directorship
Chairman /Members of the Committees As on 31st March, 2018	Member of Audit Committee

**By Order of the Board
PARAG FANS AND COOLING SYSTEMS LIMITED**

**Regd Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 03 September, 2018**

**(UMESH NAMBIAR)
Director
DIN: [02566355](#)**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 3 & 4 of the accompanying Notice

ITEM NO. 3

The Board considered a proposal for the re-appointment of Mr. Umesh Nambiar (DIN: 02566355), as Whole Time Director of the Company for a period of five years wef 03rd September 2018 on the remuneration and terms and conditions as contained in the resolution.

In terms of the provisions of Section 196 and 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the members of the Company is being sought to confirm the appointment of Mr. Umesh Nambiar (DIN: 02566355), as Whole Time Director of the Company as set in the resolution.

Memorandum of Interest:

None of director is deemed to be concerned or interested in the above mentioned resolution.

ITEM NO. 4

The Board considered a proposal for the re-appointment of Mr. Deepak Pagnis (DIN: 02566436), as Whole Time Director of the Company for a period of five years wef 03rd September 2018 on the remuneration and terms and conditions as contained in the resolution.

In terms of the provisions of Section 196 and 197, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the members of the Company is being sought to confirm the appointment of Mr. Deepak Pagnis (DIN: 02566436), as Whole Time Director of the Company as set in the resolution.

Memorandum of Interest:

None of director is deemed to be concerned or interested in the above mentioned resolution.

**By Order of the Board
PARAG FANS AND COOLING SYSTEMS LIMITED**

**Regd Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 03 September, 2018**

**(UMESH NAMBIAR)
Director
DIN: [02566355](#)**

Director's Report

To,
The Members,

Your directors have pleasure in presenting their Twenty Seventh Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

1. Financial Highlights:

During the year under review, performance of your company as under:

(In Rupees)

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Total Income	9,83,98,610.09	7,50,90,243.81
Total Expenditure	9,60,29,910.82	7,75,74,174,.03
Profit/(Loss) before Exceptional and extra ordinary item and taxation	(23,68,699.27)	(24,83,930.22)
Extra ordinary item	7,27,621.38	36,56,035.0
Profit Before tax	16,41,077.89	1,172,104.78
Less: Tax Expense:	3,09,350.00	2,53,060.00
Deferred Tax Assets	2,38,940.00	3,82,086.00
Profit/(Loss) after tax	15,70,667.89	13,01,130.78

2. Dividend:

In order to plough back the profits for the activities of the company, your directors do not recommend any dividend for the financial year.

3. Review of Company's Affairs and Future Outlook:

During the year under review the Company has achieve the net sales of Rs. 9,78,45,444.51 (previous year 7,43,27,008.00) and a Net Profit of Rs. 15,70,667.89 (previous year 13,01,130.78). The directors are focusing upon the expansion of the market of the company's product globally and has set focus on acquiring new global clients. Your directors look forward for better working results in the years to come.

4. Transfer to Reserve and Surplus:

The amount of surplus of Profit and Loss account of Rs. 15,70,667.89/- has been transferred to Reserves and Surplus in the Balance Sheet.

5. Changes in Share Capital, If Any:

During the Financial Year 2017-18, there was no change in the share capital of the company.

6. Disclosure regarding issue of equity shares with differential rights:

During the year company has not issued any equity shares with Differential Rights.

7. Disclosure Regarding Issue of Employee Stock Options:

During the year Company has not issued any employee stock options.

8. Disclosure Regarding Issue of Sweat Equity Shares:

During the year Company has not issued any sweat equity shares.

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Details of Guarantee / Security Provided: Nil

SL No	Date of providing security/guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission

13. Particulars of Contracts or Arrangements with Related Parties:

All Contracts/ arrangements/ transactions entered by the Company are on Arm's Length Basis during the financial year with the related parties. The disclosure under Form AOC-2 is annexed to this report as **Annexure-II**.

14. Appointment and resignation of directors and key managerial personnel:

In accordance with the provisions of the Act and Articles of Association of the Company, Mrs. RUKMINI BADJATIA, Director of the Company, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers herself for re-appointment.

Your Directors further informed you that Mr. Deepak Pagnis having DIN- 02566436 and Mr. Umesh Nambiar having DIN- 02566355 are going to re-appoint as Whole Time Director of the company w.e.f. 03rd September 2018. and Mr. Sandeep Surendrakumar Badjatia having DIN:00979809 has been ceased from the post of the Managing director however he is continue as a Director of the company w.e.f. 03rd September 2018

The brief resume of the Directors and other related information is provided in the Exhibit to notice forming part of this Annual Report.

15. Auditors' and their Report:

Auditor report is self explanatory and do not call for any remark from the Board of directors of the Company.

16. Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo:

The activities of the company are least dependant on power/energy consumption. Hence the particulars as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules regarding consumption of energy and technology absorption are nil.

a) Technology Absorption: Nil

Efforts made for technology absorption	
Benefits derived	
Expenditure on Research &Development, if any	
Details of technology imported, if any	
Year of import	
Whether imported technology fully absorbed	
Areas where absorption of imported technology has not taken place, if any	

b) Foreign Exchange Earnings/ Outgo:

Earnings	1,48,26,395 INR
Outgo INR

17. Details of Subsidiary, Joint Venture or Associates: NA**18. Risk Management:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

19. Details of Directors and Key Managerial Personnel

The Board consists of the following directors namely:-

DIN NO	NAME	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION
00979809	Mr. Sandeep Badjatia	Managing Director	10.12.2008	
02566355	Mr. Umesh Nambiar	Whole Time Director	04.02.2009	
02566436	Mr. Deepak Pagnis	Whole Time Director	04.02.2009	
00017285	Mr. Vijai Singh Bharkatiya	Non Executive Director	06.12.2012	
07501398	Mr. Surendra Kumar Badjatia	Director	18.01.2017	
07501462	Mrs. Rukmini Badjatia	Director	18.01.2017	
ACQPT4590E	Mr. Gajendra Madhukar Takwale	CFO(KMP)	01/09/2014	
AHCPL0289R	Mrs. Dipali Lunawat	Company Secretary	05/02/2018	

Mr. Mukesh Kumar Jhawar, Independent Director was resigned on 4th December, 2017.

20. Details of significant & material orders passed by the regulators or courts or tribunal:

During the year under review no material order has been passed by the court or tribunal against the company having material impact upon the financial position of the company.

21. Material Changes affecting the Financial Position of the Company:

There are no material changes occurring after 31 March, 2018 which may affect the financial position of the Company.

22. Voluntary Revision of Financial Statements or Board's Report: NA**23. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements:**

Company has sufficient internal financial controls with reference to the financial positions and operations of the Company.

24. Deposits:

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

25. Receipt of any Commission by MD / WTD from a Company or for Receipt of Commission / Remuneration from It Holding or Subsidiary: Nil

26. Board Independence:

The Board has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed in Section 149(6) of Company Act.2013.

27. Auditors, Their Report & Comments by the Management:

Statutory Auditors

M/s G.P. Deodhar & Co., Chartered Accountant, Nagpur (Firm Registration No. 102264W), has been appointed as Statutory Auditor of the company in AGM held on 19th August 2017 to hold office till the conclusion of Sixth Annual General Meeting as per the provisions of the Companies Act, 2013. In this regard the Company has received eligibility certificate from the Auditors in accordance with the provisions of section 141 of the Companies Act, 2013.

There is no requirement for ratification of auditors in this Annual General Meeting as per the provision of Section 139 of the Companies Act, 2013 as amended.

Auditors' Report

G.P. Deodhar & Co., Chartered Accountant, Nagpur (Firm Registration No. 102264W have issued their Report for the Financial Year ended 31st March 2018.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter

Internal Auditor

M/s A K Mantri & Associates, Chartered accountants is appointed as an Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2018-19, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit function, Company undertakes corrective action in their respective areas and thereby strengthen the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and accordingly implementation has been carried out by the Company

28. Cost Auditors: NA

29. Secretarial Auditor & Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Neelesh Gupta & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 is annexed herewith as "**Annexure -IV**" forming part of this report. There are no adverse comments, qualifications or reservations or adverse remarks in the Secretarial Audit Report.

30. Corporate Social Responsibility (CSR) Policy: NA

31. Corporate Governance: NA

32. Committees of The Board:

The Company has following Committees: the Audit Committee, and the nomination and remuneration committee. Both the committees consist of optimum number of Independent Directors as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Audit Committee:

The Company has constituted Audit Committee as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Audit Committee are broadly in accordance with the provisions of SEBI (LODR) Regulations 2015 and Companies Act, 2013.

The Audit Committee comprises of the following Directors of the Company as on 31st March, 2018.

S.No	Name	Designation	Position in Committee
1.	Mr. Vijay Singh Bharaktiya	Director	Chairman
2.	Mr. Umesh Nambiar	Director	Member
3.	Mrs. Rukmini Badjatiya	Director	Member

Mr. Mukesh Kumar Jhawar Independent Director was resigned on 4th December, 2017

During the financial year 2017-18, there was total 5 meeting of the audit committee of the Company. Details regarding the date, venue, strength of the audit committee present at the respective meetings are as under:

Date of the Meetings	Place of meetings	Total Strength of the Board	No. of Directors present
30.05.2017	Dewas	3	3
13.07.2017	Dewas	3	3
10.11.2017	Dewas	3	3
15.12.2017	Dewas	3	3
05.02.2018	Dewas	3	3

33. Nomination & Remuneration Committee:

The Company has constituted a Nomination and Remuneration Committee in accordance section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of the following Directors of the Company as on 31st March, 2018.

S.No	Name	Designation	Position in Committee
1.	Mr. Vijay Singh Bharaktiya	Director	Chairman
2.	Mr. Surendra kumar Badjatiya	Director	Member
3.	Mrs. Rukmini Badjatiya	Director	Member

During the financial year 2017-18, there was total 1 meeting of the remuneration committee of the Company. Details regarding the date, venue, strength of the audit committee present at the respective meetings are as under:

Date of the Meetings	Place of meetings	Total Strength of the Board	No. of Directors present
30.05.2017	Dewas	3	3

34. Evaluation of the Performance of the Board, its Committees and Individual Directors:

Pursuant to the provisions of section 134 (3) (p) of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees with the Company.

35. Board Diversity

The Company recognizes and embraces the importance of diverse board in overall Success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural, and geographical background, age, ethnicity, gender, and race that will help us retain our competitive advantage.

The current policy is to have an appropriate mix of executive, non executive and independent directors to maintain the independence of Board, and separate its function of governance and management.

36. Code of Conduct

The Company has laid down a code of conduct for all Board members and Senior Management and Independent Directors of the Company. All the Board members including Independent Directors and Senior Management Personnel have affirmed compliance with the code of conduct.

37. Secretarial Standards of ICSI

The Secretarial Standards as specified by the Institute of Company Secretaries of India for Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1st July 2015. The Company is in compliance with the same.

38. Green Initiatives

Electronic copies of the Annual Report 2017-18 and the Notice of the 16th Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

39. Investor Education And Protection Fund (IEPF)

During the year under review, the provision of section 125(2) of Companies Act, 2013 do not apply as the company was not required to transfer any amount to the Investor Education Protection Fund (IEPF) established by Central Government of India.

40. Disclosure on Establishment of a Vigil Mechanism:

In the financial year 2017-2018, pursuant to the provision of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The mechanism ensures adequate safeguard against victimization of person who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

41. Managerial Remuneration:

During the year 2017-18 your company has paid remuneration to the following Directors

S.No.	Name	Designation	Amount
1.	Sandeep Badjatia	Managing Director	7,50,000.00
2.	Umesh Nambiar	Wholetime Director	6,58,377.38
3.	Deepak Pagnis	Wholetime Director	6,58,377.38

42. Discloser under Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013.

During the Year 2017-18 Company has not received any complaint, which is appreciable as the management of the company endeavor efforts to provide safe environment for the female employees of the company.

43. Fraud Reporting (Required by Companies Amendment Bill, 2014): NA

44. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) in relation to the audited financial statements of the Company for the year ended 31st March, 2018 of the Companies Act, 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 as at 31st March, 2018 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had 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.

45. Listing of Shares

Shares of the Company has listed on The Metropolitan Stock Exchange of India Ltd (MSEI), Mumbai w.e.f. August 24, 2017. The Company has made all the compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including payment of annual listing fees up to 31 March, 2018 to the MSE.

46. Employee's Remuneration:

The company was not having any employee, who was in receipt of remuneration as specified under Rule 5 (2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

47. Corporate Governance:

Pursuant to Regulation 15(2) of SEBI (Listing obligation and Disclosure requirement) Regulation, 2015, the provisions of Corporate Governance Report are not applicable on the company. Hence disclosures in this regard are not provided in this report.

48. Acknowledgment:

The Directors express their sincere appreciation to the valued shareholders, bankers and clients, government Authorities for their support.

Place: Dewas
Date: 03.09.2018

**For and on behalf of the Board of Directors
PARAG FANS AND COOLING SYSTEMS LIMITED**

**SD/-
DEEPAK PAGNIS
DIRECTOR
DIN: [02566436](#)**

**SD/-
UMESH NAMBIAR
DIRECTOR
DIN: 02566355**

d) Bodies Corp.	0.00	665971	665971	19.08	665971	0.00	665971	19.08	0.00
e) Bank/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any Other...									
Total Shareholding of Promoter (A)	0.00	1913770	1913770	54.82	1913770	0.00	1913770	54.82	0.00
B. Public share holding									
1. Institutions									
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Bank/ FI	0.00	109300	109300	3.13	0.00	109300	109300	3.13	0.00
c) Central Govt.(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt.(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total (B) (1):-	0.00	109300	109300	3.13	0.00	109300	109300	3.13	0.00
2. Non Institutions									
a) Bodies Corp.	0.00	295000	295000	8.45	0.00	295000	295000	8.45	0.00
i) Indian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Individual Shareholders holding nominal share capital upto Rs. 2 lakh	0.00	137120	137120	3.93	0.00	137120	137120	3.93	0.00

ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh	0.00	196760	196760	5.64	0.00	196760	196760	5.64	0.00
c) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Resident Indians & OCB	0.00	839250	839250	24.04	0.00	839250	839250	24.04	0.00
Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Bodies- D R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub Total (B)(2):-	0.00	1468130	1468130	42.05	0.00	1468130	1468130	42.05	0.00
Total Public shareholding(B) = (B)(1)+(B)(2)	0.00	1577430	1577430	45.18	0.00	1577430	1577430	45.18	0.00
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	0.00	3491200	3491200	100	0.00	3491200	3491200	100	0.00

(B) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of Total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of Total shares of the company	% of shares pledged / encumbered to total shares	% change in share holding during the year
1.	Sandeep Badjatia	1247799	35.74	0.00	1247799	35.74	0.00	0.00
2.	Impact Projects & Consultants Pvt. Ltd	665974	19.08	0.00	665974	19.08	0.00	0.00

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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):	0	0	0	0
	At the End of the year	0	0	0	0

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

S. No.	Name of the share Holder	Shareholding at the beginning of the year		Increase/ Decrease in shareholding during the year			Date of Change	Cumulative Shareholding during the year/Share holding at the end of the year	
		No of shares	% of total shares of the company	No. of Shares Decreased	No. of shares Increased	Reason		No of shares	% of total shares of the company
1	V. C. Sodhani	452250	12.954	-	-	-	-	452250	12.954
2	Dinesh Setha	287000	8.220669	-	-	-	-	287000	8.220669
3	Priyanka Fin Cap Limited	254800	7.29835	-	-	-	-	254800	7.29835
4	Pankaj Bhargav	196760	5.635885	-	-	-	-	196760	5.635885
5	MPFC Capital Market	100000	2.864345	-	-	-	-	100000	2.864345
6	Ram Kunwar Sodhani	50000	1.432172	-	-	-	-	50000	1.432172
7	Nalini Seetha	50000	1.432172	-	-	-	-	50000	1.432172
8	Canaan Internat	23300	0.667392	-	-	-	-	23300	0.667392
9	Piyush Bhargava	9800	0.280706	-	-	-	-	9800	0.280706
10	Stock Holding Co.	9300	0.266384	-	-	-	-	9300	0.266384

(E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Mr. Sandeep Badjatiya			
	At the beginning of the year	1247799	35.74	1247799	35.74
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
	At the End of the year	1247799	35.74	1247799	35.74

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	5,00,66,389.03	4,72,20,389.47	-	9,72,86,778.5
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,00,66,389.03	4,72,20,389.47	-	9,72,86,778.5
Change in Indebtedness during the financial year				
· Addition	-	16,760,379.55	-	16,760,379.55
· Reduction	(3,647,834.26)	-	-	(3,647,834.26)
Net Change	(3,647,834.26)	16,760,379.55	-	13,112,545.29
Indebtedness at the end of the financial year				
i) Principal Amount	4,64,18,554.77	6,39,80,769.02	-	1,10,399,323.79

ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,64,18,554.77	6,39,80,769.02	-	1,10,399,323.79

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sandeep Badjatia	Umesh Nambiar	Deepak Pagnis	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,50,000.00	6,58,377.38	6,58,377.38	2,066,757.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	7,50,000.00	6,58,377.38	6,58,377.38	2,066,757.76
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Vijay Singh Bharaktiya	Mukesh Jhawar		
	1. Independent Directors				
	· Fee for attending board / committee meetings	12,000.00	9,000.00		21000.00
	· Commission	-	-		-
	· Others, please specify	-	-		-
	Total (1)	12,000.00	9,000.00		21000.00
	2. Other Non-Executive Directors				
	· Fee for attending board / committee meetings	-	-		-
	· Commission	-	-		-
	· Others, please specify	-	-		-

	Total (2)	-	-			-
	Total (B)=(1+2)	-	-			-
	Total Managerial Remuneration	12,000.00	9,000.00			21000.00
	Ceiling as per the Act					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	TOTAL
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	198000	387652	-
	(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: Nil

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Place: Dewas
Date: 03.09.2018

For and on behalf of the Board of Directors
PARAG FANS AND COOLING SYSTEMS LIMITED

SD/-
DEEPAK PAGNIS
DIRECTOR
DIN: [02566436](tel:02566436)

SD/-
UMESH NAMBIAR
DIRECTOR
DIN: 02566355

Annexure-II**FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:Nil.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	
	Nature of contracts/arrangements/transaction	
	Duration of the contracts/arrangements/transaction	
	Salient terms of the contracts or arrangements or transaction including the value, if any	
	Justification for entering into such contracts or arrangements or transactions'	
	Date of approval by the Board	
	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.:as per AS 18 of audit report

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount
1.	Impact Cooling Solutions LLC (Sister Concern)					
2.	Impact Projects & Consultants Pvt. Ltd					
3.	Impact Fans and cooling Systems Limited					

Place: Dewas
Date: 03.09.2018

**For and on behalf of the Board of Directors
PARAG FANS AND COOLING SYSTEMS LIMITED**

**SD/-
DEEPAK PAGNIS
DIRECTOR
DIN: [02566436](#)**

**SD/-
UMESH NAMBIAR
DIRECTOR
DIN: 02566355**

ANNEXURE-III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is involved in design, manufacture, erection, testing & commissioning of Energy Efficient FRP fans. There is a reasonable potential of the product both in the domestic as well international market & these markets may offer sizable opportunities as well as a double digit growth in the years to come.

The company has built Market capabilities and Distribution network to meet out the requirement in domestic as well as export markets & continually strives to enhance market presence as well as explore new markets & territories for growth.

(i) Industry structure and developments:

The market Of Energy Efficient fans comprises mainly of three segments viz. OEM market, Domestic retrofit market & Exports. The ever growing need to reduce energy costs as well as green house emissions entails deploying methods of energy saving & use of our fans targets the aware customer who believes in efficiency as well environment protection.

With investment in infrastructure building booming especially in the power sector & other core industries, the demand for FRP fans is only going to keep increasing in the first two segments. In the export segment, the company has slowly built its presence in the international markets & built goodwill as well thus creating a pool of opportunity for itself.

(ii) Concerns:

The fear of a recurrence of recession and it's fallout in the broader economy may affect prospects of growth in the company. Although the chances are bleak, there is a building fear of a possible double dip in world economies and the same can adversely affect company's growth possibilities.

(iii) Outlook:

The FRP fans business is dependent on investment in infrastructure & the will of core industry to invest in energy efficient technologies. Even the very conservative managements are known to invest in such technologies & that has always reaped rich dividends. Therefore, the overall outlook of the industry is positive. The Company has always been striving to keep options of alternate avenues of growth alive for countering any negative impact due to either a slow down or a credit crunch which is feared and cannot be ruled out. The Company forever keeps trying upgrade its product(s) variants to be able to cater to the niche international market thus expand its marketing reach both in the country as well as overseas market.

(iv) Internal Control Systems and their adequacy:

The Company has clearly laid down policies, guidelines and procedures that form a part of the internal control system which provide for automatic checks and balances. The Audit committee reviews the effectiveness and efficiency of these systems to ensure that all the assets are protected against loss and that the financial and operational information is complete and accurate.

Audits are finalized and conducted based on the internal risk assessment. Significant findings are brought to the notice of the Audit committee of the Board and corrective measures recommended for implementation. Our work opportunities and competitive compensation policy helps us in attracting and retaining our personnel.

(v) Human relations:

The company lays special emphasis to the human resources function in our organization and believes.

The company has an elaborate performance evaluation system in place involving goal setting, and periodic reviews involving confirmation and annual reviews. The review sessions impress upon several aspects of the professionals careers such as career and competency development, financial rewards

and recognition. We endeavor to link careers to competencies, individual preferences and organizational needs.

The compensation package has a fixed component and a variable component linked to the corporate and individual performance.

(vi) Safety:

Safety management is integrated with the Company's overall environment, health and safety (EHS) management system and zero accident is taken up as the Company's goal. The following measures have been taken by the Company:

- Identification of hazard and risk present in work environment and its rectification.
- Continuous monitoring of unsafe condition and unsafe acts through safety inspection.
- Safety induction training for all employees and specific job safety awareness programs on a continuous basis

(vii) Environment friendly operations:

Environmental protection is a prime concern for us and we are aware of our core responsibility to the society in this regard.

(viii) Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among other things, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.

**By Order of the Board
Parag Fans and Cooling Systems Limited**

**Place: Dewas
Date: 03.09.2018**

**SD/-
(UMESH NAMBIAR)
Director
DIN: 02566355**

INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Fans and Cooling Systems Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of **PARAG FANS AND COOLING SYSTEMS LIMITED** which comprise the Balance sheet As at 31st March 2018 and the Statement of Profit and Loss & Cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and Matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, read with the Significant Accounting Policies and the notes to accounts, the said accounts give the information required by the companies Act 2013 in the manner so required and give a true & fair view in conformity with the Accounting Principles generally accepted in India:

- a). In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2018; and
- b). In the case of Statement of Profit & Loss, of the Profit for the year ended on that date.
- c). In the case of cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the order.
- 2) **As required by section 143(3) of the Act, we report that,**
 - I. 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.
 - II. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - III. The Balance Sheet and Statement of Profit & Loss and cash flow statement dealt with in this report are in agreement with the books of accounts.
 - IV. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - V. On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - VI. 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**".
 - VII. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules,2014,in our opinion and to the best of our information and according to the explanations given to us:
 - a) As confirmed by the management the Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE: NAGPUR

DATE: 30/05/2018

FOR G. P. DEODHAR & CO.
CHARTERED ACCOUNTANTS
FRN-102264W

GIRISH DEODHAR
PARTNER
MRN:037101

PARAG FANS AND COOLING SYSTEMS LTD
ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our audit report of even date)

1. In respect of Fixed Assets

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanation given to us these fixed assets have been physically verified by the management at reasonable intervals. However no discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and the records produced before us and based on the examination of available records, provided to us, we report that, the title deeds of Immovable properties shown in Balance Sheet as on 31/03/2018 are in the name of Company.

2. In respect of its inventories

As per the explanation provided by the management to us the physical verification of inventory has been conducted at reasonable interval by the management. As informed to us no material discrepancies were noticed on physical verification.

3. In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013.

The Company has not advanced any loans, and hence, no question arises as regards reasonability of steps taken for recovery / payment of the overdue principles and interest. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

- 4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

- 5. In our opinion and according to the information and explanation given to us the company has not accepted deposits from the public to which provisions of sections 73 to 76 or any other relevant provisions of The Companies Act 2013 and the Companies(Acceptance of Deposits) rules 2014 are applicable. The company has accepted interest free unsecured loans from the Directors, of the Company and sister concerns of the one of the director of the company. The details are as follows:

Name of Party	Relation	Opening Balance as on 01/04/2017	Balance Amount as on 31/03/2018	Nature
Sandeep Badjatia	Director	1,97,00,000.00	1,35,29,113.49	Unsecured Loan
Impact Projects and Consultants Private Limited	Sister Concern	15,05,812.52	16,97,412.52	Unsecured Loan
Impact Fans and Cooling Systems Limited	Sister Concern	2,60,14,576.95	4,87,54,243.01	Unsecured Loan (Short Term and Long Term)

6. The company is not required to maintain cost records as per the provisions of section 148 (1) of the Companies Act 2013 as the turnover of the company is below the threshold limit mentioned in cost audit rules 2016
7. (a) On our examination of books of accounts and information and explanation given by the management, there are undisputed statutory dues payable in respect of provident fund, Income tax, sales tax, duty of customs, duty of excise, value added tax, cess, TDS and Service tax which are outstanding as at 31.03.2018 for a period of more than six months from the date they became payable the details of which are as follows:

Particulars	Amount (In Rs.)
Profession Tax	1,37,983.00
TDS Payable	5,87,787.08
Sales tax Payable	1,34,216.00

On going through the records, we are of the opinion that the company is generally regular in depositing the said dues with respective authorities.

- (b) According to the information and explanation given to us and information and explanation given, following are dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding as on 31/03/2018 on account of dispute:-

Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which amount relates
Central Sales Tax	CST	3,51,759/-	Financial Year 2009-10
Central Sales Tax	CST	3,20,631/-	Financial Year 2011-12
MP Vat	VAT	81,300/-	Financial Year 2011-12
Central Sales Tax	Entry Tax	139/-	Financial Year 2013-14

MP VAT	VAT	2,35,500/-	Financial Year 2013-14
Entry Tax	Entry Tax	52,650/-	Financial Year 2013-14
Central Sales Tax	CST	3,40,781/-	Financial Year 2014-15
Central Excise, 1944	Excise Penalty	9,15,863/-	Financial Year 1997-98
Income Tax Act, 1961	Income Tax	25,68,860/-	Financial Year 2010-11
Income Tax, 1961	Income Tax	87,76,750/-	Financial Year 2011-12
Income Tax, 1961	Income Tax	1,15,70,600/-	Financial Year 2013-14
Income Tax, 1961	Penalty u/s 271D of income tax act 1961	2,40,533/-	Financial Year 2013-14
Income Tax, 1961	TDS late filing fee U/s 234E of Income Tax Act	7,61,226/-	Financial Years 2005-06, 2007-08, 2008-09, 2010-11, 2011-12, 2012-13, & 2013-14.

8. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of loans taken from bank or financial institution.
9. Based upon the audit procedures performed and the information and explanations given by the management, during the year the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company has complied with section 197 read with Schedule V of the Companies Act, 2013 regarding Managerial remuneration.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and hence the requirements of section 42 of the companies act, 2013 need not be complied with.
15. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order is not applicable to the Company and hence not commented upon.

PLACE: NAGPUR
DATE:30/05/2018

FOR G. P. DEODHAR & CO.
CHARTERED ACCOUNTANTS
REG.NO.102264W

GIRISH DEODHAR
PARTNER
MRN:037101

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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 **PARAG FANS AND COOLING SYSTEMS LIMITED** ("the Company") as of 31st March, 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". 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :-

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Place: Nagpur
Date: 30/05/2018

For G.P.DEODHAR & Co.
CHARTERED ACCOUNTANTS
FRN - 102264W

GIRISH DEODHAR
PARTNER
MRN:037101

**PARAG FANS AND COOLING SYSTEMS LTD.
BALANCE SHEET AS AT 31st MARCH 2018**

PARTICULARS	Note No.	AS AT 31st MARCH, 2018	AS AT 31st MARCH, 2017
		(In Rs.)	(In Rs.)
A EQUITY AND LIABILITIES			
1 Shareholder's Fund			
(a) Share Capital	1	34,912,000.00	34,912,000.00
(b) Reserve & Surplus	2	(20,147,806.59)	(21,718,474.48)
2 Share Application Money Pending Allotment		-	-
3 Non Current Liabilities			
(a) Long Term Borrowings	3	47,820,389.47	47,220,389.47
(b) Deferred Tax Liability		4,513,297.69	4,752,237.69
4 Current Liabilities			
(a) Short-term borrowings	4	62,578,934.32	50,066,389.03
(b) Trade payables	5	30,066,366.44	23,204,026.87
(c) Other current liabilities	6	769,791.53	4,491,045.82
(d) Short-term provisions	7	3,139,005.84	3,537,214.29
TOTAL		163,651,978.70	146,464,828.69
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
i) Tangible Assets	8	10,199,620.95	12,319,701.84
ii) Intangible Assets		-	-
iii) Capital Work In Progress		6,899,607.00	6,899,607.00
iv) Intangible Assets under Development		-	-
(b) Non Current Investments	9	80,300.00	80,300.00
(c) Other Non Current Assets		1,808,434.00	1,808,434.00
2 Current Assets			
(a) Inventories	10	63,506,594.00	62,562,009.00
(b) Trade receivables	11	77,705,237.22	55,653,784.12
(c) Cash and cash equivalents	12	1,987,107.27	5,653,573.18
(d) Short-term loans and advances		-	-
(e) Other current assets	13	1,465,078.26	1,487,419.55
Significant Accounting Policies & Notes to Accounts	22		
TOTAL		163,651,978.70	146,464,828.69
See accompanying notes forming part of the financial statements	1 to 22		
		0.00	0.00

FOR AND ON BEHALF OF
BOARD OF DIRECTORS OF
PARAG FANS & COOLING SYSTEMS LIMITED

Surendrakumar Badjatia
SURENDRAKUMAR BADJATIA
DIRECTOR
DIN: 07501398

Deepak Pagnis
DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

AS PER OUR REPORT OF EVEN DATE
FOR G.P.DEODHAR & CO.
CHARTERED ACCOUNTANTS
FRN-102264W

Girish Deodhar
GIRISH DEODHAR
PARTNER
Mem No.037101

Place : Dewas
Date : 30/05/2018

Place : Nagpur
Date : 30/05/2018



PARAG FANS AND COOLING SYSTEMS LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2018

	PARTICULARS	Note No.	For the year ended	For the year ended
			31 March, 2018	31 March, 2017
			(In Rs.)	(In Rs.)
A	CONTINUING OPERATIONS			
1	Revenue from operations (Exclusive of Taxes)	14	9,78,45,444.51	7,43,27,008.00
	Less: Sales Returns		-	-
	Net sales		9,78,45,444.51	7,43,27,008.00
2	Other income	15	5,53,165.58	7,63,235.81
3	Total revenue		9,83,98,610.09	7,50,90,243.81
4	EXPENDITURE			
	Raw Material Consumed	16	3,65,70,827.88	2,98,82,858.82
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	(10,28,546.88)	68,26,309.18
	Employee benefits expense	18	1,02,04,628.69	1,09,32,927.00
	Finance costs	19	82,80,080.46	87,42,129.45
	Depreciation and amortisation expense	8	21,80,408.89	27,16,537.45
	Other expenses	20	3,98,22,511.78	1,84,73,412.13
	Total expenses		9,60,29,910.82	7,75,74,174.03
5	Profit before exceptional and extraordinary items and tax (3 - 4)		23,68,699.27	(24,83,930.22)
6	Exceptional items		-	-
7	Profit before extraordinary items and tax (5 - 6)		23,68,699.27	(24,83,930.22)
8	Extraordinary items	21	(7,27,621.38)	(36,56,035.00)
9	Profit before tax (7 - 8)		16,41,077.89	11,72,104.78
10	Tax expense:			
	(a) Current tax expense for current year		3,09,350.00	2,53,060.00
	(e) Deferred tax Asset		2,38,940.00	3,82,086.00
11	Profit from continuing operations (9 - 10)		15,70,667.89	13,01,130.78
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii	Add / (Less): Tax expense of discontinuing operations			
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13	Profit / (Loss) from discontinuing operations		-	-
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 + 13)		15,70,667.89	13,01,130.78

Parag

M. G. P.



PARAG FANS AND COOLING SYSTEMS LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2018

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2018 (In Rs.)	31 March, 2017 (In Rs.)
4.i Earnings per share			
(a) Basic			
(i) Continuing operations		0.45	0.37
(ii) Total operations		0.45	0.37
(b) Diluted			
(i) Continuing operations		0.45	0.37
(ii) Total operations		0.45	0.37
4.ii Earnings per share (excluding extraordinary items)			
(a) Basic			
(i) Continuing operations		0.66	(0.67)
(ii) Total operations		0.66	(0.67)
(b) Diluted			
(i) Continuing operations		0.66	(0.67)
(ii) Total operations		0.66	(0.67)
Significant Accounting Policies & Notes to Accounts	22		
Refer accompanying notes forming part of the financial statements	1 to 22		

FOR AND ON BEHALF OF
 BOARD OF DIRECTORS OF
 PARAG FANS & COOLING SYSTEMS LIMITED

S Surendra
 SURENDRAKUMAR BADJATIA
 DIRECTOR
 DIN: 07501398

Deepak
 DEEPAK P. AGNIS
 DIRECTOR
 DIN: 02566436

AS PER OUR REPORT OF EVEN DATE
 FOR G.P. DEODHAR & CO.
 CHARTERED ACCOUNTANTS
 FRN-102264W



Girish
 GIRISH DEODHAR
 PARTNER
 Mem No.037101

Place : Dewas
 Date : 30/05/2018

Place : Nagpur
 Date : 30/05/2018

PARAG FANS AND COOLING SYSTEMS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2018


PARTICULARS	FOR THE YEAR ENDED 31.03.2018		FOR THE YEAR ENDED 31.03.2017	
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) Before extraordinary items and before tax		2,368,699.27		(2,483,930.22)
<u>Adjustments for:</u>				
Add: Depreciation and amortisation	2,180,408.89		2,716,537.45	
Add: Finance costs	8,280,080.46		8,742,129.45	
Less: Extra-ordinary items	727,621.38		(3,656,035.00)	
Less: Interest income	285,864.40	9,447,003.57	(397,278.81)	14,717,423.09
Operating profit / (loss) before working capital changes		11,815,702.84		12,239,492.87
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Change in Inventories	(944,585.00)		8,322,639.00	
Change in Trade receivables	(22,051,453.10)		34,219,736.38	
Change in other non current assets			1,508,434.00	
Change in other current assets	22,341.29		1,682,089.22	
Change in operating Assets		(22,973,696.81)		(26,023,434.16)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Change in Short-term borrowings	12,512,545.29		96,473.03	
Change in Trade payables	6,862,339.57		5,735,409.30	
Change in Other current liabilities	(3,721,254.29)		(25,141,109.35)	
Change in Short-term provisions	(707,558.45)		294,945.36	
Change in Operating Liabilities		14,946,072.12		(19,014,281.66)
		3,788,078.15		(32,804,222.95)
Cash flow from extraordinary items				
Cash generated from operations		3,788,078.15		(32,804,222.95)
Net income tax (paid) / refunds				
Net cash flow from / (used in) operating activities (A)		3,788,078.15		(32,804,222.95)
B. Cash flow from investing activities				
Add: Interest Received on MPSEB	3,234.40		2,780.81	
Add: Interest Received on FDR	282,630.00		394,498.00	
Less: Addition to Fixed Assets	60,328.00	225,536.40		397,278.81
Net Income tax (paid) / refunds				
Net cash flow from investing activities (B)		225,536.40		397,278.81
C. Cash flow from financing activities				
Add: Increase in long Term Borrowings	600,000.00		40,893,850.23	
Less: Finance cost	(8,280,080.46)		(8,742,129.45)	
Increase in cash flow from Financing Activities		(7,680,080.46)		32,151,720.78
Cash flow from extraordinary items				
Net cash flow used in financing activities (C)		(7,680,080.46)		32,151,720.78
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(3,666,465.91)		(255,223.36)
Cash and cash equivalents at the beginning of the year		5,653,573.18		5,908,796.54
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents at the end of the year		1,987,107.27		5,653,573.18
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		1,987,107.27		5,653,573.18
Less: Bank balances not considered as Cash and cash equivalents as defined in Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		1,987,107.27		5,653,573.18
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)				
Cash and cash equivalents at the end of the year *		1,987,107.27		5,653,573.18
		0.00		0.00


Place: Dewas
Date: 30/05/2018

Place: Nagpur
Date: 30/05/2018

FOR & ON BEHALF OF BOARD OF DIRECTORS OF
PARAG FANS & COOLING SYSTEMS LIMITED

IN TERMS OF OUR REPORT ATTACHED
FOR G.P DEODHAR & CO.
CHARTERED ACCOUNTANTS
ERN NO: 037101


SURENDRAKUMAR BAIJATHIA
DIRECTOR
DIN: 07501395


DEEPAK PAGANS
DIRECTOR
DIN: 02566436




GIRISH DEODHAR
PARTNER
Mem No.037101

PARAG FANS & COOLING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 1 : SHARE CAPITAL

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Authorised :		
35,00,000 Equity shares of Rs. 10 each (Pre Year 35,00,000 Equity Shares of Rs 10/- each)	3,50,00,000.00	3,50,00,000.00
5,00,000 Preference Shares of Rs. 10/- each (Pre Year 5,00,000 Equity Shares of Rs 10/- each)	50,00,000.00	50,00,000.00
Issued, Subscribed & Paid :		
34,91,200 Equity Shares of Rs 10/- each fully paid up (Pre Year 34,91,200 Equity Shares of Rs 10/- each)	3,49,12,000.00	3,49,12,000.00
Total	3,49,12,000.00	3,49,12,000.00

Notes:

1. The reconciliation of the number of shares outstanding as on March 31, 2018 and March 31, 2017 is set out below:

Particulars	As at 31.03.2018		As at 31.03.2017	
	Nos.	Amount	Nos.	Amount
1 Shares outstanding at the beginning of the year	34,91,200.00	3,49,12,000.00	34,91,200.00	3,49,12,000.00
2 ADD :Shares issued during the year	-	-	-	-
3 LESS : Shares bought back during the year	-	-	-	-
4.Shares outstanding at the end of the Year	34,91,200.00	3,49,12,000.00	34,91,200.00	3,49,12,000.00

2. Details of shares held by each shareholder holding more than 5%

Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Sandeep Badjatia	12,47,799.00	35.74%	12,47,799.00	35.74%
Impact Projects and consultants Pvt Ltd	6,65,971.00	19.08%	6,65,971.00	19.08%
Dinesh Seetha	2,87,000.00	8.22%	2,87,000.00	8.22%
Priyanka Fincap Pvt Ltd	2,54,800.00	7.30%	2,54,800.00	7.30%
Vimal Sodhani	4,52,250.00	12.95%	4,52,250.00	12.95%
Pankaj Bhargava	1,96,760.00	5.64%	1,96,760.00	5.64%
Total	31,04,580.00	88.93%	31,04,580.00	88.93%

B. Rajak
X

M. Singh
+



Note 2 RESERVES AND SURPLUS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Profit and Loss Account		
Opening balance	(48,405,474.48)	(49,594,573.38)
Add: Profit / (Loss) for the year	1,570,667.89	1,301,130.78
Less: Dep Adjustment	-	112,031.88
	(46,834,806.59)	(48,405,474.48)
Shares Premium Account	24,687,000.00	24,687,000.00
Grant from Department of Scientific Industrial Research, G O I	2,000,000.00	2,000,000.00
TOTAL	(20,147,806.59)	(21,718,474.48)

Note3 LONG TERMS BORROWINGS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Secured :		
Term Loan A/c - 0091	1,934,243.68	-
Unsecured :		
Loans from related parties		
Mr. Sandeep Badjatia	13,529,113.49	19,700,000.00
Impact Projects & Consultants Pvt. Ltd	1,697,412.52	1,505,812.52
Impact Fans and Cooling Systems Limited	30,659,619.78	26,014,576.95
TOTAL	47,820,389.47	47,220,389.47

Notes:

1) Terms of Repayment of Term Loans

PARTICULARS	YEAR OF LOAN TA	AMOUNT OF LOAN(Rs.)	TENURE (MONTHS)	EMI
TERM LOAN	2017-18	2,000,000.00	48.00	41,667.00

Notes:

1. Related Party relationships /transaction warranting disclosures under Accounting Standard 18 prescribed under companies (Accounting standards) Rules, 2006 are as under

Sr. No.	Name of Related parties	Relationship	Opening Balance	Loan Taken/Adjusted against debtor or creditor Balance (Rs.) during the Year	Loan Repaid/Adjusted against debtor or creditor Balance (Rs.) during the Year	Closing Balance (Rs.)
1	Mr. Sandeep Badjatia	Director	19,700,000.00	-	9,962,100.34	13,529,113.49
2	Impact Projects & Consultants Pvt. Ltd	Sister Concern	1,505,812.52	191,600.00	-	1,697,412.52
3	Impact Fans and Cooling Systems Limited	Sister Concern	26,014,576.95	4,645,042.83	-	30,659,619.78

Note 4 SHORT TERM BORROWINGS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Unsecured		
Impact Fans and Cooling Systems Limited	18,094,623.23	0.00
Secured		
Bank of India EPC A/c	17,499,904.37	10,000,000.00
Bank of India-11037, Dewas (Cash Credit)	17,392,377.72	30,490,915.03
National Small Industries Corporation Ltd	9,592,029.00	9,575,474.00
TOTAL	62,578,934.32	50,066,389.03

Notes:

1 The total amount sanctioned by the bank for the purpose of cash credit is Rs. 175.00 Lacs and EPC is Rs.175.00 lacs

2 The above loans are secured by hypothecation of Stock and Book debts and by personal guarantee of Directors namely Mr. Sandeep Badjatia (Director), Mr. Umesh Nambiar (Director) and Mr. Deepak Pagnik (Director)

In addition the loan is collaterally Secured as follows:

a) Equitable Mortgage of Company's fixed assets comprising of lease hold Land Admeasuring 5141.00 sqm (leased by DIC) situated at Plot No. 1/2 & 1B/3A, Industrial Area No.1 A.B. Road Dewas. M.P. 455001

3 The amount sanctioned by National Small Industries Corporation Ltd under raw material assistance scheme is against the Bank guarantee of Rs. 100 lacs in favour of NSIC

4 During the current financial year 2017-18 the bank had sanctioned Rs. 20.00 Lacs as term Loan

5) Bank of India had sanctioned Rs. 150.00 lacs as inland bank gurantee against 15% Margin in the form of Fixed Deposits

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Note 6: OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Car Loan Principal payable in next year	-	8,82,710.00
Technology Information, Forecasting and Assessment Council Loan	-	1,51,193.00
Shree Traders (F)	1,82,069.61	1,82,069.61
Shri Sai Labour Contractors	1,74,196.00	1,74,196.00
Yugal Trading Co. (F)	25,790.60	25,790.60
Ankit Consultancy Pvt.Ltd.	83,610.00	1,20,630.00
Neeslesh Gupta &Co.	36,900.00	19,745.00
Priti Singi (Company Secretary)	21,050.00	21,050.00
Shriya and Associates	13,000.00	-
S V Deshpandey and Co	(3,500.00)	-
Kothari and associates	(50,000.00)	-
M P P K V V Co Ltd	48,408.55	-
Welspun Projects Limited	-	641.00
Rajasthan Udyog	(6,415.00)	(6,415.00)
Garima Service Providers	-	10,649.00
Sandeep Badjatia Current Account	-	1,65,694.00
V C Sodhani (Unsecured Loan)	2,24,305.55	27,24,305.55
Other Loans and Advances	8,733.00	14,412.00
Bharti Airtel Ltd	17,143.22	4,375.06
G D Financials	(5,500.00)	-
TOTAL	7,69,791.53	44,91,045.82

Note 7 : SHORT TERM PROVISIONS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Excise Duty Payable	-	6,88,951.64
Service Tax Payable	-	19,179.85
Income tax Payable	5,62,410.00	2,53,060.00
Entry Tax Payable	-	25,999.00
TDS Payable	5,87,787.08	2,10,975.80
ESIC Payable	89,631.00	97,825.00
PF Payable	2,43,688.00	5,66,278.00
Audit Fees Payable	2,12,886.00	1,99,386.00
Profession Tax Payable	1,37,983.00	1,09,487.00
Sales Tax Payable	1,34,216.00	(2,35,880.00)
Salary and Wages Payable	12,80,559.00	16,01,952.00
Directors sitting fees payable	21,000.00	-
CGST	(19,64,243.80)	-
IGST	42,36,239.16	-
SGST	(24,03,149.60)	-
TOTAL	31,39,005.84	35,37,214.29

Note 9 : NON CURRENT INVESTMENTS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Equity Shares - Quoted, Fully Paid Up		
Bank Of India	18,000.00	18,000.00
S.B.I Magnum	2,050.00	2,050.00
MPEB Security deposit	60,250.00	60,250.00
TOTAL	80,300.00	80,300.00

Note 10 : INVENTORIES

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
INVENTORIES		
Raw Material	2,49,46,041.12	2,50,30,003.00
Finished Goods/WIP	3,85,60,552.88	3,75,32,006.00
TOTAL	6,35,06,594.00	6,25,62,009.00

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Note 11 : TRADE RECEIVABLES

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Trades Receivable		
BMM Ispat Ltd.	-	2,38,663.00
Crescent Power Limited	1,23,000.00	-
Effimax air Cooled Condensers Pvt. Ltd	-	72,138.00
Enxio Cooling Tower & Tech Pvt Ltd	82,55,095.00	-
Essar Steel India Ltd	85,800.00	-
Fans Asia Pvt. Ltd	22,66,000.00	22,66,000.00
GEL Industries Systems Ltd	2,39,377.50	2,39,377.50
Green Cooling Towers Operations LLC	61,34,105.00	83,06,553.00
Greenool Power Systems Pvt. Ltd	35,83,407.00	-
Indian Oil Corporation Ltd	6,97,411.46	5,18,002.00
Inovex Asia Co. Ltd	-	7,72,978.04
Ispat Damodar Ltd.	-	(10,506.00)
Jaiprakash Associates Ltd	(3,00,000.00)	(3,00,000.00)
Jiangsu Zhong Jin Environment	3,53,778.00	3,53,778.00
Jindal Steels & Power Ltd	24,32,000.00	-
Liang Chi Industry Co Ltd	2,85,809.75	-
Lotus Texpark Limited	3,41,020.00	-
Maruti Clean Coal & Power Ltd	15,000.00	-
Mihir Engineers Ltd	(1,67,000.00)	-
National Building Cons. Corp	4,22,140.00	4,22,140.00
MCPI Pvt. Ltd	2,550.00	-
NTPC Ltd Farakka	12,27,290.00	-
NTPC Ltd	25,13,456.00	-
NTPC Ltd Korba	6,98,401.00	21,59,821.00
Powercan Fans	16,413.00	-
PT Haman Indonesia	19,185.00	-
Rusthala Steel Plant	68,941.52	68,941.52
SCCL	-	5,500.00
Shanghai Yusen Trading Co. Ltd.	51,956.13	51,956.13
Thermax SPX Energy Technologies Ltd	12,51,960.00	10,39,635.00
Thermax Limited Pune	60,300.00	-
Trident Limited Towel	1,60,008.00	-
Trident Limited Yarn	33,52,880.00	-
Ultratech Cement Limited MP	41,14,876.00	-
Ultratech Cement Limited Sewagram Guj	4,00,610.00	-
Zoe International PTE Ltd, Singapore	(1,96,815.00)	(1,96,815.00)
Cheentech Prima Utama PT Kertajaya Indah	-	(1,18,000.00)
Hindustan Zinc Ltd. Visa	-	8,60,986.00
Impact Cooling Solutions LLC (Dr.)	5,76,188.86	53,66,249.93
Impact Fans & Cooling Systems Ltd. (DR)	3,79,44,370.00	3,11,51,926.00
Impact Projects & Consultants Pvt. Ltd (Debtors)	2,55,813.00	7,55,813.00
NTPC VINDHYANCHAL	-	16,28,647.00
TOTAL	7,77,85,237.22	5,56,53,784.12

Notes:

1. Related Party relationships /transaction warranting disclosures under Accounting Standard 18 prescribed under companies (Accounting standards) Rules, 2006 are as under:

Sr. No.	Name of Related parties	Relationship	Opening Balance Dr./ Cr.	Sales During the year/Transaction during the year	Debtors realized (Adjusted During the year)	Closing Balance (Rs.)
1	Impact Cooling Solutions LLC (Dr.)	Sister Concern	53,66,249.93	1,48,26,395.00	1,96,16,456.07	5,76,188.86
2	Impact Projects & Consultants Pvt. Ltd	Sister Concern	7,55,813.00	0.00	0.00	7,55,813.00
3	Impact Fans and cooling Systems Limited	Sister Concern	3,11,51,926.00	67,92,444.00	0.00	3,79,44,370.00

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Note12 : CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Cash in Hand	352,599.00	45,990.00
Bank Accounts		
Bank Of India- 00024	294.21	159.79
HDFC Bank -975	1,437.57	2,364.57
Bank of India EPC	0.00	147.33
FDR-BOI	1,632,776.49	5,604,911.49
TOTAL	1,987,107.27	5,653,573.18

Note 13 : OTHER CURRENT ASSETS

Particulars	AS At 31.03.2018 (Rs.)	AS At 31.03.2017 (Rs.)
TDS Receivables	481,948.30	455,965.30
Sales tax appeal	847,115.00	780,915.00
Accrued Interest on FDR	214,979.67	214,979.67
Krishi Kalyan Cess	950.00	950.00
Arvind Panday	(20,627.00)	(4,378.00)
Deepak Pagnis Ta A/C	(43,144.00)	(46,187.00)
Gajendra Takwale	(22,041.00)	(2,811.00)
Travelling Exp deferment a/c	3,451.00	-
Sachin Sharma Freight A/C	(350.00)	(3,050.00)
Santosh Dhawale Adv. A/c	2,000.00	(1,150.00)
Umesh Nambiar Adv. A/c	(61,273.71)	74,807.58
Sajan singh expense	10,000.00	-
Hemraj singh rajput	(500.00)	-
Ramesh Chawda Adv a/c	14,000.00	-
Tej Singh	(50.00)	-
Chandrashekhar Solanki Advance	-	2,100.00
Arun Kumar Pal Exp. A/c	1,133.00	120.00
Ashok Chouhan TA A/c	6,880.00	(2,010.00)
Champalal Malviya TA DA	-	(680.00)
Devilal Malviya TA A/c	11,317.00	10,878.00
Kalu Singh Exp. A/C	-	2,554.00
Sachin Sharma Adv A/C	6,489.00	(64.00)
Excise Duty PLA	4,480.00	4,480.00
Ranjeet Singh TA Account	8,321.00	-
TOTAL	1,465,078.26	1,487,419.55

Note: During the previous financial year 2016-17 the amount of Rs. 18,08,434.00 of Pankaj Bhargava Compensation account has been transferred from Other Current Assets to Other Non current assets.

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PARAG FANS AND COOLING SYSTEMS LIMITED
Note 14 : REVENUE FROM OPERATIONS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
SALES		
Export Sales	4,29,17,950.00	3,41,66,070.00
SEZ Sales	0.00	6,74,704.00
Sales Within India	5,47,32,844.51	3,92,62,839.00
Packing and forwarding Charges	1,94,650.00	2,23,395.00
TOTAL	9,78,45,444.51	7,43,27,008.00

Notes:

1. Related Party relationships /transaction warranting disclosures under Accounting Standard 18 prescribed under companies (Accounting standards) Rules, 2006 are as under

Sr. No.	Name of Related parties	Relationship	Type of Sale	Amount (In Rs.)
1	Impact Cooling Solutions LLC (Dr.)	Sister Concern	Export Sales	1,48,26,395.00
2	Impact Fans and cooling Systems Limited	Sister Concern	Sales within India	67,92,444.00

Note 15 : OTHER INCOME

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Freight Charges Recovered	0.00	72,576.00
Interest Received from MPSEB	3,234.40	2,780.81
Interest on Fixed Deposits	2,82,630.00	3,94,498.00
Technical Consultancy Fees	25,500.00	1,53,600.00
Foreign Exchange Diff.	2,41,801.25	1,36,046.13
Round Off	-0.07	2,234.87
Discount on purchase	0.00	1,500.00
TOTAL	5,53,165.58	7,63,235.81

Note 16 : RAW MATERIALS CONSUMED

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Opening Stock of Raw Materials	2,50,30,003.00	2,65,26,332.82
Add: Purchases	3,59,92,398.00	2,77,32,088.00
Less: Closing Stock	2,49,46,041.12	2,50,30,003.00
Raw Materials Consumed	3,60,76,359.88	2,92,28,417.82
Add: Direct Exp		
Freight Inward Charges Paid	3,70,119.00	3,33,039.00
Entry Tax Exp A/c	34,678.00	1,16,214.00
CST paid on Purchase	89,671.00	2,05,188.00
TOTAL	3,65,70,827.88	2,98,82,858.82

Note 17 : CHANGES IN INVENTORY OF FINISHED GOODS, WIP, STOCK IN TRADE

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Opening stock of Finished Goods & WIP	3,75,32,006.00	4,43,58,315.18
Less: Closing Stock of Finished Goods and WIP	3,85,60,552.88	3,75,32,006.00
Changes in Inventory	-10,28,546.88	68,26,309.18
TOTAL	-10,28,546.88	68,26,309.18

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Note 18 : EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Directors Remunerations	20,66,754.77	24,81,032.00
Salary Office Staff	36,21,335.92	39,07,536.00
P.F. Employer Contribution 12%	3,10,943.00	3,00,915.00
Staff Welfare	1,93,010.00	1,30,113.00
Wages & Labour Charges	31,37,379.00	30,18,186.00
Over time and OT refreshment	5,39,808.00	3,44,420.00
E S I C Contribution A/c	1,49,026.00	1,35,691.00
Directors Sitting fees	21,000.00	-
Gratuity	-	10,000.00
Arrears salary	12,000.00	5,39,078.00
Attendance Welfare	3,120.00	3,800.00
PF Damages	1,50,252.00	62,156.00
TOTAL	1,02,04,628.69	1,09,32,927.00

1. Related Party relationships /transaction warranting disclosures under accounting standard 18 prescribed under companies (Accounting standards) Rules, 2006 are as under

Sr. No.	Name of Related parties	Relationship	Amount	Nature of Payment
1	Mr Sandeep Bajajia	Director	7,50,000.00	Remuneration
2	Mr Umesh Nambiar	Director	6,58,377.38	Remuneration
3	Mr. Deepak Pagnis	Director	6,58,377.38	Remuneration
4	Mr. Vijai Singh Bharkatiya	Director	12,000.00	Sitting Fees
5	Mr. Mukesh Kumar Jhawar	ex-Director	9,000.00	Sitting Fees

Note 19 : FINANCE COSTS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Bank Commission & Charges	14,09,637.72	12,64,390.57
Foreign Bank Charges on Realization	1,84,423.74	1,30,807.38
Interest on Car loan	32,861.00	1,44,400.00
Interest On CC Account	39,91,308.00	44,47,025.00
Interest Paid(NSIC)	12,08,912.00	13,35,130.00
Interest to Others	1,494.00	1,28,064.00
Interest on EPC	12,91,279.00	11,77,567.50
Processing Fees of NSIC	1,07,650.00	1,14,745.00
Interest on Term Loan	52,515.00	-
TOTAL	82,80,080.46	87,42,129.45

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Note 20 : OTHER EXPENSES

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Advertising Expenses	-	11,400.00
Audit Fees	75,000.00	75,000.00
Audit Expense	13,580.00	-
Computer Maintenance	53,427.00	51,050.00
Conveyance Expense	61,895.00	67,167.00
Discount on sales	80,42,514.00	0.00
Electricity Charges	3,62,597.54	3,16,239.81
Insurance Charges	1,17,148.00	82,656.00
Interest on Sales Tax	-	2,988.00
Interest on TDS	42,197.44	3,01,984.00
Jobwork Contract Charges	1,84,80,048.00	85,71,380.00
Legal & Professional Charges	6,45,985.00	4,66,329.00
Loading Charges	41,934.00	21,573.00
Medical Expenses	39,892.61	35,947.00
Membership & Subscription	22,716.00	67,735.00
Office Expenses	48,949.23	650.00
Plant & Machinery Maintenance	-	40,000.00
Pooja Expenses	2,350.00	4,080.00
Postage & Courier	41,599.00	58,613.00
Photocopy & Printing & Stationary	88,076.00	44,113.00
Rejects Disposal	17,150.00	75,000.00
Repairs & Maintenance	2,95,957.00	1,44,219.00
Sales Promotion	-	24,89,361.24
Service Tax Exp A/c	68,055.99	37,980.00
Security Expenses	5,78,117.00	4,64,771.00
Surcharge For Late Payment	4,972.73	3,180.00
Telephone Expenses	1,72,157.49	1,65,764.08
Testing Charges	-	36,067.00
Transportation Charges	-	49,275.00
Travelling Expenses (Foreign Travel)	32,87,067.30	-
Travelling Expenses (Local Travel)	8,46,269.96	12,25,482.00
Vehicle Running & Maintenance	2,11,013.18	45,792.00
Water Charges	21,883.00	10,893.00
Freight Outward Expense	51,59,597.94	31,92,183.00
Swachh Bharat Cess	207.00	1,533.00
Petrol Expenses	35,967.30	-
ROC Expenses	27,940.20	-
Entertainment Expense	90,499.82	-
Excise duty paid	4,65,863.00	-
GST Late filing fees	9,450.00	-
Misc expenses	10,802.05	-
Bonus	339632.00	313007.00
TOTAL	3,98,22,511.78	1,84,73,412.13

1. Related Party relationships /transaction warranting disclosures under accounting standard 18 prescribed under companies (Accounting standards) Rules, 2006 are as under

Name of Related parties	Relationship	Nature of Transaction	Amount
Impact Fans & Cooling Systems Ltd	Sister Concern	Jobwork Contract Charges	1,31,00,400.00

Note 21 : EXTRAORDINARY ITEMS

Particulars	As at 31.03.2018 (Rs.)	As at 31.03.2017 (Rs.)
Accounts Written Off	3,91,679.38	-
Accounts Written Back	(22,014.00)	(36,56,035.00)
Prior Period Expenditure		
Purchase	3,57,956.00	-
	-	-
	-	-
TOTAL	7,27,621.38	-36,56,035.00

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PARAG FANS AND COOLING SYSTEMS LIMITED

NOTE 8 DEPRECIATION AS AT 31st March 2018

AS PER THE COMPANIES ACT, 2013

PARTICULARS	RATE OF DEPRECIATION (%)	USEFUL LIFE (NO. OF YEARS)	RESIDUAL VALUE	COST OF ASSETS			DEPRECIATION				W.D.V.			
				COST	SALES/WRITE OFF	TOTAL	UPTO DATE	FOR THE YEAR	REVERSAL	TOTAL DEPRECIATION	AS ON 31.03.2018	AS ON 31.03.2017		
LAND	0.00%	-	0.00	4,57,983.00	0.00	4,57,983.00	0.00	0.00	0.00	0.00	0.00	4,57,983.00	4,57,983.00	
SITE DEVELOPMENT	20.99%	8	40,394.75	8,07,895.00	0.00	8,07,895.00	5,97,820.59	44,094.82	0.00	0.00	0.00	1,65,979.79	2,10,074.41	
BUILDING	14.29%	13	2,66,030.40	1,53,20,608.00	0.00	1,53,20,608.00	1,04,30,414.00	6,45,956.72	0.00	0.00	0.00	41,74,243.28	48,70,194.00	
FURNITURE & FIXTURES	23.05%	2	79,577.90	15,91,538.00	0.00	15,91,538.00	14,88,123.38	23,841.88	0.00	0.00	0.00	79,592.94	1,03,434.62	
OFFICE EQUIPMENTS	45.07%	3	650.50	13,010.00	0.00	13,010.00	9,701.14	1,491.30	0.00	0.00	0.00	1,817.56	3,308.86	
Add: Addition during the year 2017-18	45.07%	5	607.45	12,149.00	0.00	12,149.00	0.00	3,915.40	0.00	0.00	0.00	8,233.60	0.00	
COMPUTER (PURCHASED IN FY 2014-15)	63.16%	1	290.00	5,800.00	0.00	5,800.00	5,066.92	463.01	0.00	0.00	0.00	270.07	733.08	
Add: Addition during the year 2017-18	63.16%	3	2,408.95	48,179.00	0.00	48,179.00	0.00	23,220.23	0.00	0.00	0.00	24,958.78	0.00	
PLANT & MACHINERY	18.11%	6	20,76,845.35	4,15,36,907.00	0.00	4,15,36,907.00	3,58,98,311.31	10,31,185.90	0.00	0.00	0.00	46,17,609.79	50,38,795.69	
VEHICLE	35.28%	4	2,79,243.00	55,84,860.00	0.00	55,84,860.00	45,49,883.82	5,66,246.04	0.00	0.00	0.00	6,68,932.14	10,35,178.18	
TOTAL (RS.)			37,46,048.30	6,53,78,949.00	0.00	6,53,78,949.00	5,29,98,978.17	21,80,408.89	0.00	0.00	0.00	5,51,79,228.05	1,01,99,620.95	1,23,19,761.84

Notes:

- 1) Depreciation has been provided on the value capitalized on the assets actually put to use during the current year, as per the Schedule II of the Companies Act 2013.
- 2) Depreciation is calculated on pro-rata basis from the date of acquisition and/or capitalization, as may be applicable. Assets costing individually Rs. 5,000/- (Rupees Five Thousand only) or less are depreciated fully in the year of purchase
- 3) Fixed Assets are stated at their original cost of acquisition or construction less accumulated depreciation (except land) and subsequent improvements there to. Cost comprises of purchase price and all expenses directly attributable to the acquisition or construction of the asset.



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PARAG FANS & COOLING SYSTEMS LIMITED

NOTES FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2018

NOTE 22 :- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

- 1) **Basis of Preparation of Financial Statements:** The financial statements are prepared on accrual basis of accounting and in accordance with the generally accepted accounting principles in India. These financial statements have been prepared to comply in all materials aspects with the accounting standards notified under section 133 read with rule 7 of the companies (Accounts) Rules, 2014 and the other relevant provisions of the Companies Act, 2013.
- 2) **Revenue Recognition:-** The company is a manufacturer of FRP Fans. Income is recognized when the services are rendered and finished goods are dispatched and sales are recorded inclusive of all taxes. Interest is accounted for on accrued basis.
- 3) Expenditure is accounted for on the accrual basis, and the provision is made for all known losses and liabilities.
- 4) Depreciation is charged as per the useful lives prescribed in Schedule II, Part C of Companies Act, 2013 on fixed assets which are purchased in this year. Also, the management has provided the remaining useful lives of the old assets and we have considered the same for the purpose of calculation of depreciation.
- 5) Closing stock has been valued and certified by the management at lower of cost or market value except for the stock of goods which were returned during the financial year 2014-15 which was sold to Green cooling Tower LLC, USA in the financial year 2013-14. We have accepted the said valuation for the purpose of our audit.
- 6) The Trade Receivables, Deposits, and Advances are estimated to realize at their book value and hence, no provision is made for any loss there against. However the balances of Trade Receivables, Trade Payables, deposits, loans and advances, unsecured loans etc are subject to reconciliation, verification and confirmation.
- 7) Previous year figures have been regrouped, rearranged and reclassified, wherever considered necessary.
- 8) The company has complied with all respective accounting standards except for non- provision of Gratuity which is required to be made as per Accounting Standard – 15 “Accounting for Retirement Benefits in the Financial Statements of the Employers: In the absence of relevant details, the effect thereof on the financial statements of the company cannot be quantified.
- 9) In Trade payables, amount due to Micro, Small and Medium business enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 could not be separately disclosed as the necessary information regarding the status of the trade payables are not available with the company.

10) Disclosure requirement as per AS-18: Related Party Disclosure:-

List of related parties with whom transactions have taken place and relationship

Sr. No.	Name of the Related Parties	Nature of Relationship	Nature of Transaction
1	Sandeep Badjatia	Director	Remuneration Paid & Unsecured Loans received
2	Umesh Nambiar	Director	Remuneration

Sandeep Badjatia

Umesh Nambiar



3	Deepak Pagnis	Director	Remuneration
4	Impact Fans and Cooling Systems Limited	Sister Concern	Unsecured Loans received, Sale & Jobwork Charges
5	Impact Projects and Consultants Private Limited	Sister Concern	Unsecured Loans received
6	Impact Cooling solutions LLC, USA	Sister Concern	Export Sales
7	Mr. Vijay Bharkatiya	Director	Sitting Fees
8	Mr. Mukesh Jhawar	Ex-Director	Sitting Fees

11) The documents regarding the balance of Work in Progress of Rs.68,99,607.00 and the Balance of Grant from department of scientific industrial Research GOI of Rs.20,00,000.00 were not available for our verification hence we are not commenting on the same.

12) Calculation of Deferred Tax

Particulars	Amount
Depreciation as per Companies act 2013 (A)	21,80,408.89
Depreciation as per Income Tax Act 1961 (B)	12,24,661.00
Difference (A-B)	9,55,747.89
Deferred Tax Asset (25.00%)	2,38,940.00

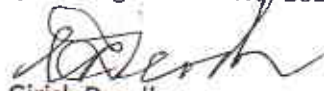
The company has provided for deferred tax asset and has been adjusted against the opening deferred tax liability.

Note 1 to 22 forms an integral part of the Financial Statements.


In terms of our audit report of even date annexed.

for **G. P. Deodhar & Co.**

Chartered Accountants
(Firm Registration No. 102264W)


Girish Deodhar
Partner
M. No. 037101

For and on behalf of the Board of directors of
Parag Fans and Cooling Systems Limited


* Surendrakumar Badjatia
Director
DIN: 07501398


* Deepak Pagnis
Director
DIN: 02566436

Place : Nagpur
Date : 30/05/2018



Place: Dewas
Date: 30/05/2018