



**PARAG
FANS & COOLING
SYSTEMS LTD.**

CIN: U51102MP1991PLC006760

Date: 05.09.2019

To,
The Metropolitan Stock Exchange of India Ltd (MSEI)
Vibgyor Towers, 4th Floor,
Plot No C 62, G-Block,
Opp. Trident Hotel, Bandra- Kurla Complex,
Mumbai 400098

Dear Sir/Madam,

Ref: Regulation 34(1) Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Sub: Notice and Annual Report of 28th Annual General Meeting to be held on 30th September, 2019 at the registered office of the Company

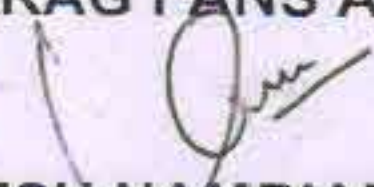
In Compliance with regulation 34 of the SEBI (LODR) Regulation, 2015, Please find enclosed herewith Annual Report of the Company for the Financial Year 2018-19 along with the Notice of 28th Annual General Meeting of Parag Fans And Cooling Systems Limited Scheduled to be held on Monday 30th September, 2019 at registered office of the Company situated at 1/2 & 1B/3A Industrial Area No. 1 A. B. Road Dewas MP 455001 IN at 10:30 A.M.

The Notice of AGM and the Annual Report 2018-19 is being sent to the members at the postal address and emailed to email address, registered with the Company/Depository Participants (DP) as case may be and is also available on the website of the Company at paragfans.com. and on CDSL website at www.evotingindia.com.

This is for your information and record.

Thanking you,
Yours Faithfully,

FOR PARAG FANS AND COOLING SYSTEMS LIMITED


Mr. UMESH NAMBIAR
Whole Time Director
DIN: 02566355



Encl: as above

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

2019

ANNUAL REPORT



**PARAG
FANS & COOLING
SYSTEMS LTD.**



PARAG
FANS & COOLING
SYSTEMS LTD.

CORPORATE INFORMATION

Board of Directors

Executive Directors:

Mr. Umesh Nambiar
Mr. Deepak Pagnis
Mr. Sandeep Surendrakumar Badjatia

Non Executive Directors:

Mr. Surendra Kumar Badjatia
Mrs. Rukmani Badjatia
Mr. Vijai Singh Barkhatiya

Chief Financial Officer

Mr. Gajendra Madhukar Takwat

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 Accountants

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



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NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of the company shall be held on Monday the 30th, September, 2019 at 10:30 A.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, 2019 and the report of the Directors & Auditors thereon.

2. To appoint Auditors and to fix their remuneration

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

“RESOLVED THAT pursuant to the provisions of section 139 and 142 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Ashok Pahawa & Co., Chartered Accountants (Firm Registration No. 009710C), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next sixth Annual General Meeting of the Company at such remuneration in addition to reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

3. To appoint a director in place of Mr. UMESH NAMBIAR (holding DIN 02566355), who retires by rotation and being eligible offers himself for re-appointment.

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

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. UMESH NAMBIAR (holding DIN 02566355), who retires by rotation from the Board of Directors and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company and whose office shall be liable to retire by rotation.”

**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: 05nd September, 2019**

**(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. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
5. The Register of Members and Share transfer Books of the company will remain close from, Monday, 23rd September, 2019 to Monday, 30th September, 2019 (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. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Ankit Consultancy Private Limited for assistance in this regard.
8. 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.
9. 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.
10. 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.



11. 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.
12. The Notice of Annual General Meeting and Annual Report of the Company for the year 2018-19, circulated to the Members of the Company, is available on the Company's website viz. paragfans.com
13. Electronic copy of the Annual report for the year 2018-19 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.
14. 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.
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 2018-19 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 **27th September, 2019** at **9.00 a.m.** and ends on **29th September, 2019** 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 **23rd September, 2019** 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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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	Mr. Umesh Nambiar
Age	40
Qualification	Graduate
Date of Appointment	04.02.2009
Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2019	Nil
Chairman /Members of the Committees As on 31st March, 2019	Member of Audit Committee & Nomination and remuneration 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: 05 September, 2019**

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

Director's Report

**To,
The Members,**

Your directors have pleasure in presenting their Twenty Eighth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2019.

1. Financial summary and Highlights:

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

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Total Income	16,37,98,495	9,84,20,624
Total Expenditure	16,05,24,042	9,67,79,546
Profit/(Loss) before Exceptional and extra ordinary item and taxation	32,74,453	16,41,078
Extra ordinary item	-	-
Profit Before tax	32,74,453	16,41,078
Less: Tax Expense:	6,30,005	3,09,350
Deferred Tax Assets	(1,85,570)	(2,38,940)
Profit/(Loss) after tax	28,30,018	15,70,668

2. Dividend:

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's dividend distribution policy, has decided that it would be prudent, not to recommend any Dividend for the year under review.

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

During the year under review the Company has achieved the net sales of Rs. 16,11,55,083 (previous year 9,76,50,795) and a Net Profit of Rs. 28,30,018 (previous year Rs. 15,70,668). 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. 28,30,018 /- has been transferred to Reserves and Surplus in the Balance Sheet.

5. Changes in Share Capital, If Any:

Authorized Share Capital:

During the Financial Year 2018-19, the Authorized Share Capital of the company increased from Rs. 4,00,00,000/- (Rupees Four Crores only) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 5,00,000 (Five Lacs) Preference shares of Rs. 10/- (Rupee Ten only) each to Rs. 6,00,00,000 (Rupees Six Crores only) divided into 45,00,000 (Forty five Lacs) Equity Shares of Rs. 10/- (Rupee Ten only) each and 15,00,000 (Fifteen Lacs) Preference shares of Rs. 10/- (Rupee Ten only) each in Extra Ordinary General meeting held on 25th March, 2019.

Issued, Subscribed and Paid Up Share Capital:

Company has issued on 25th March, 2019 and allotted on 29th March, 2019 by way of Preferential Allotment, 4,00,000 (Four Lacs) Equity Shares of Face value Rs. 10/- (Rupees Ten only) aggregating to Rs. 40,00,000 and 11,00,000 (Eleven Lacs) Compulsory Convertible Preference Shares ("CCPSs") of Face value Rs. 10/- (Rupees Ten only) aggregating to Rs. 1,10,00,000 to the Promoters of the Company in lieu of conversion of unsecured loan.

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.

9. Extract of Annual Return:

The extract of Annual Return, in format MGT-9, for the Financial Year 2018-19 has been enclosed with this report as **Annexure-I**.

10. Management Discussion and Analysis:

A Separate report on Management Discussion and Analysis is annexed to this report as **Annexure-II**.

11. Number of Board Meetings:

During the Financial Year 2018-19(14) meetings of the Board of Directors of the company were held.

S.NO	DATE OF BOARD MEETING
01	10/04/2018
02	09/05/2018
03	30/05/2018
04	04/07/2018
05	11/08/2018
06	03/09/2018
07	12/10/2018
08	26/10/2018
09	03/11/2018
10	10/01/2019
11	13/02/2019
12	02/03/2019
13	20/03/2019
14	29/03/2019

12. Particulars of loan, guarantees and investments under section 186:

Company has not made any Loans, Guarantee and Investment under section 186 of Companies Act, 2013

Details of Loans: Nil

S L N o	Date of making loan	Details of Borrowe r	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if read)	Rate of Interest	Security

Details of Investments: Nil

SL No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return

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-III**.

14. Directors and Key Managerial Personnel:

As on March 31, 2019, the Company has Six Directors. Of the Six Directors, Three are Non-Executive and Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Umesh Nambiar, Director of the Company, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

The Board consists of the following directors namely:

DIN NO	NAME	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION
00979809	Mr. Sandeep Badjatia	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	

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 details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are disclosed in Annexure enclosed with this Report.

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	196815 INR
Outgo	36812091 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 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.

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

There are no material changes occurring after 31 March, 2019 which may affect the financial position of the Company.

21. Voluntary Revision of Financial Statements or Board's Report: NA

22. 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.

23. 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.

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

25. Declaration by Independent Directors and statement on compliance of code of conduct:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as prescribed in Section 149(6) of Company Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

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

Statutory Auditors

Board of Directors propose the appointment of M/s Ashok Pahawa & Co., Chartered Accountant, (Firm Registration No. 009710C), as the statutory auditor of the company in place of M/s G. P. Deodhar & Co., Chartered accountant, Nagpur for the period of five years to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of the next sixth Annual General Meeting of the Company held in year 2024 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.

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.

27. Cost Auditors: NA

28. 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 2018-19. The Secretarial Audit Report for the financial year 2018-19 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.

29. Corporate Social Responsibility (CSR) Policy: NA

30. Corporate Governance: NA

31. 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, 2019.

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

During the financial year 2018-19, there was total 4 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
30.05.2018	Dewas	3	3
11.08.2018	Dewas	3	3
03.11.2018	Dewas	3	3
13.02.2019	Dewas	3	3

32. 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, 2019.

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 2018-19, there was total 2 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
30.05.2018	Dewas	3	3
03.09.2018	Dewas	3	3

33. 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.

34. 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.

35. 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.

36. 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.

37. Green Initiatives

Electronic copies of the Annual Report 2018-19 and the Notice of the 17th 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.

38. 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.

39. Disclosure on Establishment of a Vigil Mechanism:

In the financial year 2018-2019, 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.

40. Managerial Remuneration

During the year 2018-19 your company has paid remuneration of Rs. 13,62,944/- to the following Directors:

S.No.	Name	Designation	Amount
1.	Umesh Nambiar	Wholetime Director	6,81,472
2.	Deepak Pagnis	Wholetime Director	6,81,472

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

During the Year 2018-19 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.

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

43. 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, 2019 of the Companies Act, 2013, your directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2019 and of the profit /loss of the Company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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.

44. Particulars of Employees:

The ratio of the remuneration of each whole-time director and key managerial personnel (KMP) to the median of employees' remuneration as per Section 197 (12) of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of the Board's report as Annexure-V .

Additionally, the following details form part of Annexure V to the Board's report:

- Remuneration to Whole Time Directors
- Remuneration to non-executive / independent directors
- Percentage increase in the median remuneration of employee in the financial year
- Number of permanent employees on the rolls of company
- There has not been any employee drawing remuneration exceeding 1.02 Crores during the year, employed for the full year or Rs. 8.50 lakhs employed for part of the year.
- The company did not allot any sweet equity shares or having employees' stock option scheme.



45. 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.

46. Acknowledgment:

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

Place: Dewas
Date: 05.09.2019

**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- I
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31 March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U51102MP1991PLC006760
ii)	Registration Date	14.11.1991
iii)	Name of the Company	PARAG FANS AND COOLING SYSTEMS LIMITED
iv)	Category/Sub-Category of the Company	Company Limited by shares, Non- Government company
v)	Address of the Registered office and contact details	1/2 & 1B/3A Industrial Area No.1, A B Road, Dewas MP- 455001
vi)	Whether listed company	listed
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Ankit Consultancy 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010 Tel.:0731-2551745, 2551746 Fax:0731-4065798

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1.	Manufacturing of FRP Fans	28199	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Nil

Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Nil				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 st April 2018)				No. of Shares held at the end of the year (As on 31 st March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters.									
(1) Indian									
a) Individual/ HUF	1247799	0.00	1247799	35.74	1547799	0.00	1547799	39.78	4.04
b) Central Govt.	0.00	0.00	0.00	00.00	0.00	.000	0.00	0.00	0.00

c) State Govt.(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	665971	0.00	665971	19.08	765971	0.00	765971	19.68	0.60
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)	1913770	0.00	1913770	54.82	2313770	0.00	2313770	59.46	4.64
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	2.81	0.32
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	2.81	0.32
2. Non Institutions									
a) Bodies Corp.	0.00	295000	295000	8.45	0.00	295000	295000	7.58	0.87
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	2600	134520	137120	3.52	0.41

ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh	0.00	196760	196760	5.64	0.00	196760	196760	5.06	0.58
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	21.57	2.47
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-DR	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	2600	1465530	1468130	37.73	4.32
Total Public shareholding(B) = (B)(1)+(B)(2)	0.00	1577430	1577430	45.18	2600	1574830	1577430	40.54	4.64
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)	1913770	1577430	3491200	100	2316370	1574830	3891200	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			% change in share holding during the year
		No. of shares	% of Total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of Total shares of the company	% of shares pledged / encumbered to total shares	
1.	Sandeep Badjatia	1247799	35.74	0.00	1547799	39.78	0.00	4.04
2.	Impact Projects & Consultants Pvt. Ltd	665971	19.08	0.00	665971	17.11	0.00	1.97
3.	Impact Fans	0.00	0.00	0.00	100000	2.57	0.00	2.57

& Cooling Systems Ltd							
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(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
1.	Sandeep Badjatia				
	At the beginning of the year	1247799	35.74	1247799	35.74
	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):	300000 (Preferential allotment of Shares on 29/03/2019)	4.04	1547799	39.78
	At the End of the year	1547799	39.78	1547799	39.78
2.	Impact Projects & Consultants Pvt. Ltd				
	At the beginning of the year	665971	19.08	665971	19.08
	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 (Preferential allotment of Shares on 29/03/2019)	(1.97)	665971	17.11
	At the End of the year	665971	17.11	665971	17.11
3.	Impact Fans & Cooling Systems Ltd				
	At the beginning of the year	0.00	0.00	0.00	0.00
	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):	100000 (Preferential allotment of Shares on 29/03/2019)	2.57	100000	2.57
	At the End of the year	100000	2.57	100000	2.57

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

S.	Name of the	Shareholding at the beginning of the	Cumulative Shareholding
----	-------------	--------------------------------------	-------------------------

No.	share Holder	year		at end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	V. C. Sodhani	452250	12.95	452250	11.62
2	Dinesh Seetha	287000	8.22	287000	7.38
3	Priyanka Fin Cap Limited	254800	7.30	254800	6.55
4	Pankaj Bhargav	196760	5.64	196760	5.06
5	MPFC Capital Market	100000	2.86	100000	2.57
6	Ram Kunwar Sodhani	50000	1.43	50000	1.29
7	Nalini Seetha	50000	1.43	50000	1.29
8	Canaan International Credicap Ltd	23300	0.67	23300	0.667392
9	Piyush Bhargava	9800	0.28	9800	0.25
10	Stock Holding Co	9300	0.27	9300	0.23

(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):	300000 (Preferential allotment of Shares on 29/03/2019)	4.04	1547799	39.78
	At the End of the year	1547799	39.78	1547799	39.78

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	4,64,18,555	6,39,80,769	-	1,10,399,324
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,64,18,555	6,39,80,769	-	1,10,399,324
Change in Indebtedness during the financial year				
· Addition	69,72,219	-	-	69,72,219
· Reduction	-	(6,39,80,769)	-	(6,39,80,769)
Net Change	69,72,219	(6,39,80,769)	-	(5,70,08,550)
Indebtedness at the end of the financial year				
i) Principal Amount	5,33,90,774	-	-	5,33,90,774
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,33,90,774	-	-	5,33,90,774

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
		Umesh Nambiar	Deepak Pagnis	-	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,81,472	6,81,472	-	13,62,944
	(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)	6,81,472	6,81,472	-	13,62,944
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	1. Independent Directors	Vijay Singh Bharaktiya				
	· Fee for attending board / committee meetings	12,000.00				12,000.00
	· Commission	-				-
	· Others, please specify	-				-
	Total (1)	12,000.00				12,000.00
	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				12,000.00
	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	-	1,20,000	4,80,000	6,00,000
	(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	-	1,20,000	4,80,000	6,00,000



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: 05.09.2019

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-II

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: 05.09.2019**

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

Annexure-III

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.:Nil

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: 05.09.2018

**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**

MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
PARAG FANS AND COOLING SYSTEMS LIMITED
CIN- U51102MP1991PLC006760
1/2 & 1B/3A INDUSTRIAL AREA NO. 1
A B ROAD DEWAS MP 455001 IN

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

Company's Board of Directors is responsible for the matters of Compliances of the various provisions of the Companies Act, 2013 and other applicable laws. Our responsibility to conduct the audit of the Compliances made during the year upon test check basis, We have adopted such methods and procedure and based on our verification of the **PARAG FANS AND COOLING SYSTEMS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the **financial year ended 31st March, 2019** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:-

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that:

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

We further report that:-

During the audit period of the company, there were instances of:

Appointment of M/s A.K. Mantri and Associates as internal auditor

M/s. A.K. Mantri and 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.

Appointment of Key Managerial Personnel under section 203 of Companies Act, 2013.

Mr. Umesh Nambiar and Mr. Deepak Pagnis were re-appointed as Whole Time Director for 5 consecutive years for a term up to 2023 and Mr. Sandeep SurendraKumar Badjatia was changed his designation and resigned from the post of Managing Director of the Company.

Increase in authorized share capital of the company:

During the Year Company has increased its Authorized Share Capital from Rs. 4,00,00,000/- (Rupees Four Crores only) divided into 35,00,000 (Thirty Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 5,00,000 (Five Lacs) Preference shares of Rs. 10/- (Rupee Ten only) each to Rs. 6,00,00,000 (Rupees Six Crores only) divided into 45,00,000 (Forty five Lacs) Equity Shares of Rs. 10/- (Rupee Ten only) each and 15,00,000 (Fifteen Lacs) Preference shares of Rs. 10/- (Rupee Ten only) each and altered the Capital Clause V of Memorandum of Association in the General Meeting held on Monday 25th March, 2019.

Issue and Allotment of shares on preferential basis:

Company has issued equity Shares and Compulsory Convertible Preference Shares (“CCPSs”) in General Meeting held on Monday 25th March, 2019 and allotted 4,00,000 (Four Lacs) equity shares of Face value Rs. 10/- (Rupees Ten only) amounting to Rs. 40,00,000 and 11,00,000 (Eleven Lacs) Compulsory Convertible Preference Shares (“CCPSs”) of Face value Rs. 10/- (Rupees Ten only) amounting to Rs. 1,10,00,000 on Friday 29th March, 2019 by way of Preferential Allotment, to Promoters Group for conversion of unsecured loan.

Non Compliances of SEBI (LODR) Regulations:

* *Company has not complied various Provisions of SEBI (LODR) Regulations, 2015 for which Metropolitan stock exchange has imposed fine of Rs. 2,68,936.*

* *Company has also not Complied Regulation 34 of SEBI (LODR) Regulation, 2015 and submit the annual report of the company by delay of Four days for which Metropolitan stock exchange has imposed fine of Rs. 4000.*

Date: 30/08/2019

Place: Indore

For Neelesh Gupta & Co.,
Company Secretaries

CS. Neelesh Gupta
Proprietor
C.P. No.6846

To,

The Members,

PARAG FANS AND COOLING SYSTEMS LIMITED
CIN- U51102MP1991PLC006760
1/2 & 1B/3A INDUSTRIAL AREA NO. 1
A B ROAD DEWAS MP 455001 IN

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- Company has held all requisite no. of Board Meetings/audit committee meetings/ Nomination & Remuneration committee complied with the provision of Companies Act, 2013.

- Management properly maintained minutes book and duly authenticated by the chairman.

- Management has kept and properly entered records in all statutory books in their registered office

- No request for transfer or transmission of shares have been received by the company during the year

- Notice of Board meetings were duly sent to all the directors.

- Notice of annual general meeting has been duly sent to all the members.

- Company has obtained secured loans from banks/ financial institutions and duly entered in statutory register.

- Company has accepted interest free unsecured loans from Directors of the Company and sister concerns of the one of the director of the Company. The details are as follows:

Name of the Party	Relation	Opening balance as on 01/04/2018	Balance amount as on 31/03/2019	Nature
Sandeep Badjatia	Director	1,35,29,113.49	15,45,969.02	Unsecured Loan
Impact Projects and Consultants Private Limited	Sister Concern	16,97,412.52	-	Unsecured Loan
Impact Fans and Cooling Systems Limited	Sister Concern	30,69,59,619.78	16,72,709.98	Unsecured Loan (Short term and Long Term)



Company has not given any guarantee or provided any security in connection with any loan taken by him or such other person (under section 185 & 188)

- Company has not accept any deposit (u/s 73)

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 30/08/2019
Place: Indore

For Neelesh Gupta & Co.,
Company Secretaries

CS. Neelesh Gupta
Proprietor
C.P. No.6846

PARTICULARS OF EMPLOYEES

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2018-19, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2018-19.

S. No.	Name of the Director/Key Managerial Personnel(KMP) and Designation	Remuneration of Director/ KMP for the financial year 2018-19 (Including Non-Executive Independent Director)	Remuneration of Director/ KMP for the financial year 2017-18	% increase (decrease) in remuneration in the financial year 2018-19	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. Sandeep Badjatia Director	-	750000/-	-	
2.	Mr. Umesh Nambiar Whole Time Director	681472/-	658377.38	10%	
3.	Mr. Deepak Pagnis Whole Time Director	681472/-	658377.38	10%	
4.	Mr. Vijai Singh Bharkatiya Non-Executive Independent Director	12000/-	12000/-	-	
5.	Mr. Surendra Kumar Badjatia Non-Executive Independent Director	-	-	-	
6.	Mrs. Rukmini Badjatia Non-Executive Independent Director	-	-	-	
7.	Mr. Gajendra Madhukar Takwale Chief Financial Officer	480000/-	435600/-	10%	
8.	Mrs. Dipali Lunawat Company Secretary	120000/-	-	-	

ii. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year -

As stated above in item no (I).

iii. Percentage increase in the median remuneration of employees in the financial year -

Median Remuneration 2018-19	Median Remuneration 2017-2018	% Increase in the Median Remuneration

iv. Number of permanent employees on the rolls of company -

As on 31st March, 2019 the total number of employees on the roll was 31.

Company has more employees or workers but they are not on permanent basis and are working on contract basis through some other entity.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: the detail is as provided above.

vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the company.

Place: Dewas
Date: 05.09.2018

**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**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PARAG FANS & COOLING SYSTEMS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Parag Fans & Cooling Systems Limited (“the Company”), which comprise the balance sheet as at 31-Mar-2019, and the statement of Profit and Loss, statement of changes in Equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31-Mar-2019, Profit, changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Particulars	Key Matter
1	Capital Work In Progress of RS.68.99 Lacs	During Course of our audit Details of the Capital Work in progress were not made available to us
2	DSIR project grant in other Equity of Rs. 20.00 Lacs	During Course of our audit documents related to DSIR project grant were not made available to us

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
4. 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.
5. On the basis of the written representations received from the directors as on 31-Mar-2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31-Mar-2019 from being appointed as a director in terms of Section 164 (2) of the Act.



6. 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**”.
7. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

For G.P. Deodhar & Co.
Chartered Accountants
FRN:102264W

Date:30/05/2019
Place: Nagpur

CA Girish Deodhar
Partner
M. No:037101

PARAG FANS & COOLING SYSTEMS LIMITED
“ANNEXURE A” TO THE AUDITOR’S REPORT (2018-2019)

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of **Parag Fans & Cooling Systems Limited**. on the accounts of the Company for the year ended **31st March, 2019**)

- I. In respect of its fixed assets:
- The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - As explained to us, fixed assets of the company have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - **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 31/03/2019 are in the name of Company.**
- II. In respect of its inventory:
- As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw material were physically verified at regular intervals by the management. In our opinion the frequency of verification is reasonable.
 - In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. The Company have complied with the relevant requirements for maintenance of Register as per Section 189 of the Act.
- IV. 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.
- V. 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	Balance Amount as on 31/03/2019	Nature
Sandeep Badjatia	Director	15,45,969.00	Unsecured Loan
Impact Fans and Cooling Systems Limited	Sister Concern	16,72,710.00	Unsecured Loan (Short Term and Long Term)

- VI. 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
- VII. (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 31.03.2019 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	1,61,364.00
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 31/03/2019 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.

- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks & financial institutions. The Company has not taken any loan from the government and has not issued any debentures.

- IX. Based upon the audit procedures performed and the information and explanations given by the management, 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.
- X. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- XI. Provisions relating to Managerial remuneration in accordance with the requisite approvals mandated by the Section 197 read with Schedule V to the Companies Act is duly complied by the company.
- XII. 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.
- XIII. In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards. Requirements under section 177 has been complied by the company.
- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of 4,00,000 equity shares of 10 each and 11,00,000 convertible preference shares of 10 each. Accordingly, the provisions of clause 3 (XIV) of the Order are complied by the company
- XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (XV) of the Order are not applicable to the Company and hence not commented upon.
- XVI. 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 are not applicable to the Company and hence not commented upon.

For G.P. Deodhar & Co.
Chartered Accountants
FRN:102264W

Date: 30/05/2019
Place: Nagpur

CA Girish Deodhar
Partner
M. No:037101

PARAG FANS & COOLING SYSTEMS LIMITED

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT (2018-19)

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 & Cooling Systems Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgement, 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:

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

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 March 31, 2019, 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 ICAI

For G.P. Deodhar & Co.
Chartered Accountants
FRN:102264W

Date:30/05/2019
Place:Nagpur

CA Girish Deodhar
Partner
M. No:037101

Parag Fans & Cooling Systems Limited

Balance Sheet As On 31-Mar-2019

S. No.	Particulars	Ref.	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
ASSETS					
Non-Current Asset					
a	Property, Plant and Equipm	1	86,31,939	1,01,99,621	1,23,19,702
b	Capital Work In Progress	2	68,99,607	68,99,607	68,99,607
c	Financial Assets	3	18,08,434	18,08,434	18,08,434
d	Investments	4	20,050	20,050	20,050
Current Assets					
a	Inventories	5	2,51,73,470	6,35,06,594	6,25,62,009
b	Financial Assets	3	2,89,359	2,55,660	2,27,878
c	Trade Receivable	6	7,98,04,887	3,97,60,867	2,45,01,858
d	Cash & Cash Equivalent	7	3,06,890	3,54,426	48,662
e	Other Bank Balances	8	17,65,848	16,32,776	56,04,911
f	Other Current Assets	9	22,40,709	15,31,762	5,80,017
Total Assets			12,69,41,193	12,59,69,798	11,45,73,128
EQUITY & LIABILITIES					
Equity					
a	Equity Share Capital	10	3,89,12,000	3,49,12,000	3,49,12,000
b	Other Equity	11	-63,17,788	-2,01,47,807	-2,17,18,474
Non-Current Liabilities					
Financial Liabilities					
a	Borrowings	12	45,97,460	2,52,23,190	1,47,28,345
b	Trade Payables	13	3,82,056	3,82,056	3,82,056
	Deferred Tax Liability (Net	14	43,27,728	45,13,298	47,52,238
Current Liabilities					
a	Borrowings	12	4,87,93,314	4,55,34,447	5,09,49,099
b	Trade Payables	13	3,11,43,800	3,04,45,369	2,60,99,007
c	Other Current Liabilities	15	51,02,623	51,07,245	44,68,857
Total Assets			12,69,41,193	12,59,69,798	11,45,73,128

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

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

SURENDRAKUMAR BADJATIA DEEPAK PAGNIS
DIRECTOR DIRECTOR
DIN: 07501398 DIN: 02566436

GIRISH DEODHAR
PARTNER
Mem No.037101

Place : Dewas
Date : 30/05/2019

Place : Nagpur
Date : 30/05/2019

Parag Fans & Cooling Systems Limited
Statement Of Profit and Loss For Period Ending 31-Mar-2019

S. No.	Particulars	Ref	For Period ending 31-Mar-19	For Period ending 31-Mar-18
Income				
a	Revenue from Operations	16	16,19,40,483	9,78,45,445
b	Other income	17	18,58,012	5,75,180
Total Income			16,37,98,495	9,84,20,624
Expenditure				
a	Cost of Material Consumed	18	10,63,58,631	6,45,83,358
	Changes in Inventories of Finished Goods & Work - In - Progress	19	3,25,11,664	-10,28,547
b	Employee benefits expense	20	58,30,875	64,11,141
d	Finance costs	21	64,25,525	82,80,080
e	Depreciation and amortisation expense	-	18,03,502	21,80,409
f	Other expenses	22	75,93,845	1,63,53,105
Total Expenditure			16,05,24,042	9,67,79,546
Profit/(Loss) Before Tax			32,74,453	16,41,078
Tax Expense				
a	Current Tax Expense		6,30,005	3,09,350
b	Deferred Tax		-1,85,570	-2,38,940
Profit/(Loss) for the Year			28,30,018	15,70,668
Other Comprehensive Income				
1. Items That Will Not Be Reclassified to Profit & Loss			-	-
Less: Deferred Tax Relating to Items That Will Not Be Reclassified To Profit & Loss			-	-
2. Items That Will Be Reclassified to Profit & Loss			-	-
Total Comprehensive Income/(Loss)			28,30,018	15,70,668
Earnings Per Share				
Basic			0.81	0.45
Diluted			0.81	0.45
Notes to Financial Statements				
Significant Accounting Policies				

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

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

SURENDRAKUMAR BADJATIA
DIRECTOR
DIN: 07501398
Place : Dewas
Date :30/05/2019

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

GIRISH DEODHAR
PARTNER
Mem No.037101
Place : Nagpur
Date :30/05/2019

Parag Fans & Cooling Systems Limited
Statement of Cash Flow For Period Ending 31-Mar-2019

S. No	Particulars	For Period ending 31- Mar-19	For Period ending 31- Mar-18
A	Cash Flow From Operating Activity		
a	Net Profit / (Loss) After Tax	28,30,018	15,70,668
b	<u>Adjustments for</u>		
	Depreciation and Amortisation	18,03,502	21,80,409
	Finance Costs	64,25,525	82,80,080
	Interest Income	-86,237	-2,85,864
	Creditors Write Back	-9,16,775	-22,014
	Deferred Tax	-1,85,570	-2,38,940
c	Operating profit / (loss) before working capital changes	98,70,463	1,14,84,339
d	Changes in working capital		
e	Adjustments for (increase) / decrease in operating assets		
	Inventories	-	-
	Financial Assets	-	-
	Trade Receivable	-	-
	Other Bank Balances	-	-
	Other Current Assets	-	-
f	Adjustments for increase / (decrease) in operating liabilities		
	Trade Payables	9,16,775	22,014
	Other Current Liabilities	-	-
	Net cash flow from / (used in) operating Activities (A)	1,07,87,238	1,15,06,353
B	Cash Flow From Investing Activity		
a	Investment in Capital Expenditure	-18,03,502	-21,80,409
	Net cash flow from / (used in) Investing Activities (B)	-18,03,502	-21,80,409
C	Cash Flow From Financing Activity		
a	Proceeds From Equity Shares / Preference Shares	1,10,00,000	-
b	Proceeds From Borrowings	-	-
c	Finance Cost	-64,25,525	-82,80,080
d	Interest Income	86,237	2,85,864
	Net cash flow from / (used in) Financing Activities (C)	46,60,712	-79,94,216
D	Net increase / decrease in cash & cash equivalent (A+B+C)	1,36,44,448	13,31,728
E	Cash & Cash Equivalent at the Beginning of Year	3,54,426	48,662
	Cash & Cash Equivalent at the End of Year (D+E)	1,39,98,875	13,80,390

Parag Fans & Cooling Systems Limited

Statement of Changes in Equity

A. Equity Share Capital

For year ended 31-Mar-2019

Particulars	Amount
Balance as on 31-Mar-2018	3,49,12,000
Changes in Capital During the Year	40,00,000
Balance as on 31-Mar-2019	3,89,12,000

For year ended 31-Mar-2018

Particulars	Amount
Balance as on 31-Mar-2017	3,49,12,000
Changes in Capital During the Year	-
Balance as on 31-Mar-2018	3,49,12,000

B. Other Equity

Particulars	DSIR Project	Share Premium	Retained earnings	Total Other Equity
Balance as on 01- April-2017	20,00,000	2,46,87,000	(4,84,05,474)	(2,17,18,474)
Ind AS Adjustments	-	-	-	-
Profit/ (Loss) for the Year	-	-	15,70,668	15,70,668
Balance at on 31-March-2018 after Ind AS Ac	20,00,000	2,46,87,000	(4,68,34,807)	(2,01,47,807)
Ind AS Adjustments	-	-	-	-
Profit/ (Loss) for the Year	-	-	28,30,018	28,30,018
Closing balance as on 31-March-2019	20,00,000	2,46,87,000	(4,40,04,788)	(1,73,17,788)

Parag Fans & Cooling Systems Limited

Balance Sheet as on 31-Mar-2019

1. Property, Plant and Equipment

Current Year

Particulars	Land	Building	Site Development	Plant & Machinery	Computers & Printers	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross Carrying Value									
As on 1-Apr-2018	4,57,983	1,53,20,608	8,07,895	4,15,36,907	53,979	15,91,558	25,159	55,84,860	6,53,78,949
Additions During the Year	-	-	-	-	48,395	-	1,87,425	-	2,35,820
As on 31-Mar-2019	4,57,983	1,53,20,608	8,07,895	4,15,36,907	1,02,374	15,91,558	2,12,584	55,84,860	6,56,14,769
Accumulated Depreciation & Amortization									
As on 1-Apr-2018	-	1,11,46,365	6,41,915	3,69,19,297	28,750	15,11,965	15,108	49,15,928	5,51,79,328
Depreciation During the Year	-	5,96,499	34,839	8,36,249	17,041	18,346	63,859	2,36,668	18,03,502
As on 31-Mar-2019	-	1,17,42,864	6,76,754	3,77,55,546	45,791	15,30,311	78,967	51,52,596	5,69,82,830
Net carrying amount as on 31-Mar-2019	4,57,983	35,77,744	1,31,141	37,81,361	56,583	61,247	1,33,617	4,32,264	86,31,939

Previous Year

Particulars	Land	Building	Site Development	Plant & Machinery	Computers & Printers	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross Carrying Value									
As on 1-Apr-2017	4,57,983	1,53,20,608	8,07,895	4,15,36,907	5,800	15,91,558	13,010	55,84,860	6,53,18,621
Additions During the Year	-	-	-	-	48,179	-	12,149	-	60,328
As on 31-Mar-2018	4,57,983	1,53,20,608	8,07,895	4,15,36,907	53,979	15,91,558	25,159	55,84,860	6,53,78,949
Accumulated Depreciation & Amortization									
As on 1-Apr-2017	-	1,04,50,414	5,97,821	3,58,98,111	5,067	14,88,123	9,701	45,49,682	5,29,98,919
Depreciation During the Year	-	6,95,951	44,095	10,21,186	23,683	23,842	5,407	3,66,246	21,80,409
As on 31-Mar-2018	-	1,11,46,365	6,41,915	3,69,19,297	28,750	15,11,965	15,108	49,15,928	5,51,79,328
Net carrying amount as on 31-Mar-2018	4,57,983	41,74,243	1,65,980	46,17,610	25,229	79,593	10,051	6,68,932	1,01,99,621

2. Capital Work In Progress

Particulars	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	DSIR Project	Share Premium	Preference Share Capital	Retained earnings	Other Total Equity	
DSIR Project	68,99,607	-	68,99,607	-	68,99,607	-
Total	68,99,607	-	68,99,607	-	68,99,607	-

Explanatory Notes:

In absence of any document which can substantiate the status of balance reflecting in Capital Work in Progress, the company has decided to carry the balance as it is without giving any treatment under the transition to Ind AS

3. Financial Assets

Particulars	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Compensation - Parag Bhargava	18,08,434	-	18,08,434	-	18,08,434	-
Interest Accrued	-	2,89,359	-	2,14,980	-	2,14,980
Advance to Employees	-	-	-	40,680	-	12,838
Total	18,08,434	2,89,359	18,08,434	2,55,660	18,08,434	2,27,818

Explanatory Note:

Details regarding Compensation receivable from Parag Bhargava is not available with us

4. Investments

Particulars	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Shares						
State Bank of India	2,050	-	2,050	-	2,050	-
Bank of India	18,000	-	18,000	-	18,000	-
Total	20,050	-	20,050	-	20,050	-

5. Inventories

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
	Raw Material	1,91,24,581	2,49,48,041
Finished Goods & WIP	69,45,899	9,85,40,513	1,76,13,006
Total	2,60,70,480	3,49,38,554	4,26,43,009

6. Trade Receivable

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
	Considered Good (Less Than Six Months)		
Domestic Sales	4,31,89,611	3,25,36,659	91,04,172
Export Sales	3,66,15,276	72,24,208	1,45,16,700
Others	-	-	8,60,986
Total	7,98,04,887	3,97,60,867	2,45,01,858

7. Cash & Cash Equivalent

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
	Cash in Hand	3,06,800	3,52,599
In Banks	-	1,827	2,873
Total	3,06,800	3,54,426	48,863

8. Other Bank Balances

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
	Bank Deposit for BG	17,85,848	16,32,776
Total	17,85,848	16,32,776	56,04,911

9. Other Current Assets

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
	Advance to Parties / (Payable)	-14,412	-8,733
Appel Deposit			
Appel Deposit - Sales Tax	8,71,955	8,47,115	7,80,915
Income Tax	3,00,000	-	-
Deposit With Tax Authorities			
TDS	4,22,916	4,81,948	4,55,965
Service Tax / (Payable)	-	13,201	-18,230
Excise Department	-	1,34,530	-6,84,472
Security Deposit			
Others	6,00,000	3,451	-
Utilities	60,250	60,250	60,250
Total	22,40,709	18,31,782	5,80,617

10. Equity Share Capital

Particulars	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	No. Of Shares	Amount	No. Of Shares	Amount	No. Of Shares	Amount
Authorized Share Capital (Rs. 10 / Share)	45,00,000	45,00,000	45,00,000	45,00,000	45,00,000	45,00,000
Issued, Subscribed and Fully Paid	38,91,200	3,89,12,000	34,91,200	3,49,12,000	34,91,200	3,49,12,000
Per Value Per Share (Rs. 10/-)						

Reconciliation of No. Of Shares & Share Capital Outstanding	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	No. Of Shares	Amount	No. Of Shares	Amount	No. Of Shares	Amount
Outstanding Share Capital	34,91,200	3,49,12,000	34,91,200	3,49,12,000	34,91,200	3,49,12,000
Add: No. of Shares, Share Capital Issued/ Subscribed during the	4,00,000	40,00,000	-	-	-	-
Change Share Capital	38,91,200	3,89,12,000	34,91,200	3,49,12,000	34,91,200	3,49,12,000

Share in the Company held by Shareholder holding more than 5%	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	No. Of Shares	% Holding	No. Of Shares	% Holding	No. Of Shares	% Holding
Sandeep Badolia	15,47,799.00	39.78%	12,47,799	35.74	12,47,799	35.74
Impact Projects & Consultants Pvt. Ltd.	6,65,971.00	17.11%	6,65,971	19.08	6,65,971	19.08
Omshree Saethia	2,287,000.00	7.38%	2,287,000	8.22	2,287,000	8.22
Priyanka Fincap Pvt. Ltd.	2,54,800.00	6.55%	2,54,800	7.30	2,54,800	7.30
Vimal Sodhani	4,52,250.00	11.62%	4,52,250	12.95	4,52,250	12.95
Parag Bhargava	1,96,760.00	5.00%	1,96,760	5.64	1,96,760	5.64
	34,04,580.00	87.49%	31,04,580	88.93	31,04,580	88.93

11. Other Equity As on 31-Mar-2018

Particulars	DSIR Project	Share Premium	Preference Share Capital	Retained earnings	Other Total Equity
	Balance as on 01- April-2017	20,00,000	2,46,87,000	-	(4,84,05,474)
Profit/(Loss) for the year	-	-	-	12,79,000	15,79,868
Balance as on 31-March-2018 after Ind AS Adjustments	20,00,000	2,46,87,000	-	(4,68,34,807)	(2,01,67,807)
Addition / Reduction during the year	-	-	1,10,00,000	-	1,10,00,000
Profit/(Loss) for the year	-	-	-	28,30,038	28,30,038
Closing balance as on 31-March-2019	20,00,000	2,46,87,000	1,10,00,000	(4,40,04,769)	(83,17,738)

Explanatory Note:

Details regarding DSIR Project is not available with us

12. Borrowings

Particulars	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Term Loan - From Banks	11,78,781	1,79,00,000	10,14,244	1,79,00,000	1,08,82,720	1,79,00,000
Term Loan - Others	32,18,679	93,16,362	2,32,88,946	99,92,029	1,47,28,345	95,75,474
Bank - Cash Credit	-	2,18,75,000	-	1,75,00,000	-	3,00,00,000
Cash Credit	-	81,952	-	9,42,418	-	4,90,915
Total	45,97,460	4,87,89,314	2,52,33,190	6,55,34,447	1,47,28,345	5,09,49,099

Notes:

1) Terms of Repayment of Term Loans

PARTICULARS	YEAR OF LOAN/TAX	AMOUNT OF LOAN(Rs.)	TENURE (MONTHS)	EMI
TERM LOAN	2017-18	28,68,688.88	48.88	41,647.88

Notes:

1. Related Party relationship / 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	Closing Balance (Rs.)
1	Mr. Sandeep Badolia	Director	1,35,29,113.49	15,45,969.02
2	Impact Projects & Consultants Pvt. Ltd	Sister Concern	16,97,412.52	-
3	Impact Fans and Cooling Systems Limited	Sister Concern	30,69,59,619.78	16,72,709.98

13. Trade Payables

Particulars	As on 31-Mar-2019		As on 31-Mar-2018		As on 1-Apr-2017	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
For Consultancy	-	5,21,884	-	1,43,550	-	1,74,425
For Job Work	-	11,09,793	-	9,48,552	-	7,23,016
For Materials	-	2,42,10,588	-	2,35,62,141	-	1,74,16,253
For Service	-	4,92,274	-	3,83,437	-	1,35,396
For Transportation	-	47,91,197	-	56,60,763	-	52,80,654
For Miscellaneous / (Shareholder)	3,82,257	2,42,828	3,82,256	-35,085	3,82,256	21,87,283
Total	3,82,257	3,11,43,800	3,82,256	3,04,45,349	3,82,256	2,60,99,007

14. Deferred Tax (Net)

Particulars	As on 31-Mar-2019	As on 31-Mar-2018
	Opening Deferred Tax Liability	45,15,298
Add: Current Year Deferred Tax on Timing Difference	-1,85,570	-2,38,940
Total	43,27,728	45,13,298

15. Other Current Liabilities

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
	Statutory Dues Payable		
Employee Related	4,22,790	4,71,302	7,75,590
GST & SGT	24,41,032	5,92,455	21,000
Sales Tax / (Receivable)	1,34,216	4,47,842	-3,35,880
TDS	4,07,627	5,87,787	2,10,976
Entry Tax	-	-	25,999
Income Tax Payable	6,30,005	5,82,410	2,53,080
Expenses Payable			
Audit Fees	2,26,386	2,12,886	1,99,386
Director's Sitting Fees	21,000	21,000	-
Salary Payable	6,43,225	12,80,519	16,01,952
Tour Expenses - Employee / (Receivable)	1,76,342	1,28,476	17,312
Other Payables	-	16,97,413	16,57,006
Total	51,02,423	51,67,245	44,68,857

16. Revenue From Operations

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Fan Sales		
Domestic	48,26,225	38,44,800
Export	5,08,08,701	4,31,07,950
SEZ	10,97,153	-
IGST Sales	10,50,34,604	5,06,98,045
Sales Return	-6,11,600	-
Packing & Forwarding	7,85,400	1,94,650
Total	16,19,40,483	9,78,45,445

17. Other Income

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Consultancy	8,55,000	25,500
<u>Interest Income</u>		
MPSEB	3,593	3,234
TDR	82,644	2,82,630
Creditors Written Back	9,16,775	22,014
Foreign Exchange Gain	-	2,41,801
Total	18,58,012	5,75,180

18. Cost of Material Consumed

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Opening Stock of RM	2,49,46,041	2,50,30,003
Add:		
Purchases		
Manufacturing	6,38,94,973	3,46,36,089
Electrical	1,46,339	94,041
Packing & Forwardin	26,47,174	17,03,311
Manufacturing Expenses		
Job Work Charges	2,49,85,927	2,21,61,699
Transporation	82,53,275	55,29,717
Rent	2,00,000	-
Other Expenses	42,321	21,883
Power & Fuel	3,67,162	3,52,657
Less:		
Closing Stock of RM	1,91,24,581	2,49,46,041
Total	10,63,58,631	6,45,83,358

19. Changes in Inventories of Finished Goods & Work In Progress

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Closing Stock Of Finished Goods & Work In Progress	60,48,889	3,85,60,553
Opening Stock Of Finished Goods & Work In Progress	3,85,60,553	3,75,32,006
Total	3,25,11,664	-10,28,547

20. Employee benefits expense

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Salaries & Wages	41,16,975	58,53,463
Welfare Expense	15,192	1,97,046
Bonus	3,35,764	3,39,632
Director Remuneration	13,62,944	21,000
Total	58,30,875	64,11,141

21. Finance costs

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Interest Expense	51,29,115	82,80,080
Commission & Other Charges	12,96,410	-
Total	64,25,525	82,80,080

22. Other Expenses

Particulars	For Period Ending 31-Mar-2019	For Period Ending 31-Mar-2018
Administrative Expense		
Professional & Consultancy		
Audit Fees	87,683	75,000
Consultancy Charges	5,30,000	6,45,985
Legal Fees	17,99,555	-
Travelling Exp	22,77,203	41,33,337
Foreign Exchange (Gain) / Loss	43,043	-
Business Promotion	4,02,767	90,500
Debtors Write - Off	2,73,410	3,91,679
Repairs & Maintenance	1,37,932	2,64,440
Duties, Rates & Taxes	7,61,891	10,76,363
Insurance Expenses	1,00,379	94,748
Discount	97,275	80,42,514
Miscellaneous Expense	10,82,707	15,38,538
Total	75,93,845	1,63,53,105

Parag Fans & Cooling Systems Limited

Significant Accounting Policies

Basis of preparation

The Company prepared its financial statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements includes Balance Sheet as at 31 March 2019, the statement of Profit and Loss including Other Comprehensive Income and cash flows and statement of changes in equity for the year ended 31 March 2019, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as “Financial Statements” or “financial statements”). The Financial Information for the year ended 31 March 2019 and year ended 31 March 2018 has been prepared on an accrual basis and a historical cost convention, except for the financial assets and liabilities which have been measured at fair value (disclosed through the explanatory notes wherever applicable)

Accounting policies and methods of computation followed in the Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2018, except for adoption of new standard or any pronouncements effective from 1 April 2018.

Ind AS 115 Revenue from Contracts with Customers, became mandatory for reporting periods beginning on or after 01 April 2018 replaces the existing revenue recognition standards. The Company has applied the Cumulative Catch-Up approach and accordingly has included the impact of Ind AS 115 applicable to the Financial Statements.

Summary of Significant Accounting Policies

Property, plant and equipment and capital work-in-progress

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Statement of Profit & Loss for the period in which such expenses are incurred.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, and other directly attributable costs and borrowing costs.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Statement of Profit & Loss when the asset is derecognized.

Depreciation on Property, plant and equipment's is calculated on written down value method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Intangible assets

Intangible assets are stated at cost, net of accumulated amortisation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is derecognized.

Amortisation on intangible assets is calculated on pro rata basis on straight-line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Company as a Lessee

Operating lease payments are recognised as an expense in the Statement of Profit & Loss as per the contractual terms over the lease period.

Finance lease are capitalised at the commencement of the lease and depreciated over the period of lease.

Company as a Lessor

Lease receipts are recognised as income in the statement of profit and loss when the right to receive lease instalment arises which is as per the terms of the contract.

Borrowing Costs

Borrowing cost includes interest, exchange differences arising from the foreign currency borrowings and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Impairment of Non-Financial Assets

The carrying amounts of assets are reviewed at each Balance sheet date, if there is any indication of impairment based on internal / external factors. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses are recognised in the statement of Statement of Profit & Loss.

Non-Current Assets Held for Sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Company is committed to the sale expected within one year from the date of classification (Disclosed through explanatory notes wherever applicable).

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell (Disclosed through explanatory notes wherever applicable). Assets and liabilities classified as held for sale are presented separately in the Balance sheet (wherever applicable). Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Inventories

Raw materials, traded goods, work in progress, finished goods, packing materials, project material for long term contracts, scrap materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value.

The stocks of scrap materials is taken at net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Revenue recognition

Revenue from contracts with customers for sale of goods, Consultancy contracts and its related provision of services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs

For performance obligations where one of the above conditions are not met, revenue is recognized at a point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability. In case of multiple performance obligation revenue for each performance obligation is recognized when it is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue in other cases is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. The Company collects GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is disclosed net of discounts, incentives and returns, as applicable.

Foreign Currency Translation

The Company's Financial Statements are presented in Indian rupee (INR) which is also the Company's functional currency.

Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency item at the Balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currency are not reinstated on reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the statement of Statement of Profit & Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Employee benefits

a) Employee benefits

All short-term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are charged to the Statement of Profit & Loss account.

b) Defined contribution plans

Retirement benefit in the form of provident fund and 'Employer-Employee Scheme' are defined contribution schemes. The Company recognises contribution payable to the provident fund and 'Employer Employee' scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the funds. The Company's contributions to defined contribution plans are charged to the statement of Statement of Profit & Loss as incurred.

- c) **Defined benefit plan** – Measurement and recognition for gratuity payment is done as and when the liability to pay arises.

Income taxes

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided using the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Earnings PerShare

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

Provisions, contingent liabilities and capital commitments

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit & Loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of cash flow statement consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through Statement of Profit & Loss, it is recorded at transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified at the initial recognition as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financials assets at amortised cost
- Financials assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit & Loss (i.e., fair value through Statement of Profit & Loss), or recognised in other comprehensive income (i.e., fair value through other comprehensive income).

Financials assets carried at amortised cost

A financials assets that meets the following two conditions is measured at amortised cost (net of Impairment), unless the asset is designated at fair value through Statement of Profit & Loss under the fair value option.

Business Model test: The objective of the Company's business model is to hold the financial assets to collect the contractual cash flow.

Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

Financials assets at fair value through other comprehensive income

Financials assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financials assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through Statement of Profit & Loss.

De-Recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and

rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for the following:

- a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- b) Other financial assets such as deposits, advances etc.

The Company follows 'simplified approach' for recognition of impairment loss on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at rate of the instrument.

De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Government Grants

The financial books shows a grant received from the Government authorities. The company has not amortized the grant as there are no sufficient documents to substantiate the systematic basis and to ascertain the related cost for which the grant was received.

Significant accounting judgements, estimates and assumptions

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Judgements

In the process of applying the Company's accounting policies, management has made the fundamental judgements, which have the most significant effect on the amounts recognised in the Financial Statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are considered by the company while preparation of Financial Statements. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Standards issued but not effective

The Company has applied the Companies (Indian Accounting Standards), Amendment Rules 2018 which is effective from 01 April 2018, while preparing the restated Ind AS financial statements.

Accordingly, the Company has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no standards which are issued but not yet effective.

For G. P. Deodhar & Co.

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

**Chartered Accountants
(Firm Registration No. 102264W)**

**Girish Deodhar
Partner
M. No. 037101**

**Surendra Kumar Badjatia
Director
DIN: 07501398**

**Deepak Pagnis
Director
DIN: 02566436**

**Place: Nagpur
Date: 30/05/2019**

**Place: Dewas
Date: 30/05/2019**

Notes to Financial Statements

1. Funding Pattern of the Company

Parag Fans and Cooling Systems Ltd. is incorporated under the Companies Act, 2013 as is a Listed Company in the Metropolitan Stock Exchange. The company is funded through its shares as under;

Sr. No	Type Of Shares	Voting Rights	Amount as on 31-Mar-2019
1	Equity Shares	With Voting Rights	3,89,12,000.00
2	Preference Shares	Without Voting Rights	1,10,00,000.00
TOTAL			4,99,12,000.00

2. Contingent Liabilities: NIL

3. Contingent Assets: Nil

4. Commitments:

- Capital Commitments: NIL
- Other Commitments: Nil

5. Payment to Statutory Auditors and Tax Auditors

Sr. No	Particulars	2018-19	2017-18
1	Audit Fees	75000.00	75000.00

6. Details of Foreign Currency not hedged by a derivative instrument or otherwise

Sr. No	Particulars	Currency	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
1	Borrowings	NA	NIL	NIL	NIL
2	Sundry Creditors	NA	NIL	NIL	NIL
3	Sundry Debtors	USD	4,28,982.00		

7. Additional Information pursuant to Schedule III of the Companies Act, 2013

Sr. No	Particulars	2018-19	2017-18
A	Value of Imports Calculated on CIF; Raw Materials Stores & Spares Capital Goods	NO MATERIAL IMPORTED DURING THE YEAR	NO MATERIAL IMPORTED DURING THE YEAR
B	Expenditure in Foreign Currency; Professional & Consultancy Fees Travel Contractual Obligations Others	NIL	NIL
C	Earnings in Foreign Exchange; Sales of Goods	6,07,882.00 USD	6,65,078.00 USD
D	Value of Components, Spare Parts Imported Indigenous	NIL	NIL

8. Some of the Debit / Credit Balances of parties are subject to confirmations & reconciliations, consequential impact thereof is as under;

Sr. No	Particulars	Debit Balance as on 31-Mar-2019	Credit Balance as on 31-Mar-2019
1	Total Trade Receivables (Dr.) / Payables (Cr.) as per Financial Statements – Rs.	12,58,86,427.92	9,96,815.00
2	Balance Confirmations received for – Rs.	NIL	NIL
3	Percentage of Confirmations Received – (2 / 1) x 100	NA	NA

9. Information in respect of Micro, Small & Medium Enterprises;

Sr. No	Particulars	2018-19	2017-18
1	Amount remaining unpaid to any supplier – <ul style="list-style-type: none"> • Principle • Interest 	DETAILS OF MSME UNITS IS NOT AVIALABLE WITH THE COMPANY HENCE WE ARE NOT COMMENTING ON THE SAME	
2	Amount of interest paid in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 along with the amount paid to the supplier beyond the appointed day		
3	Amount of interest due and payable for the period of delay in making payment but without adding interest specified under Micro, Small & Medium Enterprises Development Act, 2006		
4	Amount of interest accrued and remaining unpaid		

Disclosure requirements of Indian Accounting Standards

10. Disclosure in respect of Indian Accounting Standard 1 – Presentation of Financial Statements

Capital Management

The primary objective of the company's capital management is to maximise the shareholder value. The company monitors its capital management using Debt Equity Ratio, which is long term debt divided by total owner's capital. Debt Equity Ratio is as under;

Particulars	As on 31-Mar-2019	As on 31-Mar-2018	As on 1-Apr-2017
Total Debt – a	5,01,68,939.97	6,45,13,178.00	6,45,13,178.00
Total Equity (INCLUDING INT FREE UNSECURED LOANS)	3,25,94,212.00	6,25,84,582.88	6,25,84,582.88

FROM DIRECTORS AND SISTER CONCERNS – b			
Debt : Equity Ratio – (a/b)	1.54	1.03	1.03

For the purpose of the company's capital management, capital includes issued capital and reserves. Debt includes long term loans and borrowings.

11. Disclosure in respect of Indian Accounting Standard 115 – Revenue from Contracts with Customers

Qualitative & Quantitative Information for Contracts with Customers

Sr. No	Contract	Customer	Judgement	Revenue for 2018-19	Revenue for 2017-18

Performance Obligation for Contracts with Customers

Contract	Customer	Point when entity satisfies the performance obligation	Application of Contract Price to the Performance Obligation	Payment Terms	Nature of Goods or Services	Other Obligations

12. Disclosure in respect of Indian Accounting Standard 19 – Employee Benefits

General description of the various defined employee benefits is as under;

Provident Fund

Company's provident fund is managed by regional provident fund commissioner. The company pays fixed contribution to provident fund at a pre-determined rate. The liability is recognised on accrual basis.

13. Disclosure in respect of Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

The amount of exchange difference (net) disclosed in the Statement of Profit & Loss is Rs. -0.45 Lacs (P.Y Rs. 2.41 Lacs)

14. Disclosure in respect of Ind AS 24 – Related Party Disclosures

1. Key Management Persons;
 - Mr. Sandeep Badjatia
 - Mr. Umesh Nambiar
 - Mr. Deepak Pagnis
2. Disclosure of transactions with the Key Management Persons

Particulars	2018-19	2017-18
Salaries & Allowance	<u>1362944</u>	<u>2066754</u>

15. Disclosure in respect of Ind AS 33 – Earnings per Share

Particulars	2018-19	2017-18
Profit after Tax as per Statement of Profit & Loss	<u>Rs. 28.30</u>	<u>Rs. 15.70</u>
Weighted Average No. of Equity Shares		
<u>Outstanding:</u>		
Basic		349.12
Diluted		349.12
Basic EPS		<u>0.04</u>
Diluted EPS		<u>0.04</u>

16. Disclosure in respect of Ind AS 101 – First Time Adoption of Indian Accounting Standard

The accounting policies set out in the Financial Statements have been applied in preparation of Financial Statements for the year ending 31-Mar-2019, the comparative information presented in these financial statements for the year ending 31-Mar-2018 and in the preparation of opening Ind AS balance sheet as on 1-Apr-2017 (the company's date of transition). For transition to Ind AS the company has availed the following mandatory / optional exemptions as per Ind AS 101:

1. **Deemed cost of PPE:** The Company has availed exemption under para D7AA of appendix D to Ind AS 101 which permits at first time adoption to continue with the carrying values for its PPE as at date of transition to Ind AS measured as per previous GAAP.
2. **Classification & Fair Value Measurement of Financial Assets or Financial Liabilities at Initial Recognition:** The financial assets and liabilities have been classified on the basis of facts existing as at date of transition to Ind AS. In addition, the exemption under – Para B8C and Para D20 permits prospective application of requirements of Ind AS 109 to transactions entered into on or after date of transition.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is not required as there are no impacts given to the opening equity due to fair value measurements of financial assets and liabilities.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The reconciliations from previous GAAP to Ind AS is not mentioned as there are no impacts given to the opening equity due to implementation of Ind AS.

17. Disclosures in respect of Indian Accounting Standard 107 - Financial Instruments: Disclosures

The disclosures as set out in the Ind AS 107 are not relevant as company has no transactions which are subject to the treatments specified in the relevant standard.

18. Disclosure in respect of Indian Accounting Standard 108 – Operating Segment

The company does not have any operating segment within the definition or criteria as set out in the standard.

19. Previous year's figures have been regrouped / rearranged / reclassified, wherever necessary, to make them comparable to the current year's presentation.

For and on behalf of the Board of Directors of

**For G. P. Deodhar & Co
Chartered Accountants
(Firm Registration No. 102264W)**

Parag Fans and Cooling Systems Limited

**Girish Deodhar
Partner
M. No. 037101**

**Surendra Kumar Badjatia
Director
DIN: 07501398**

**Deepak Pagnis
Director
DIN: 02566436**

**Place: Nagpur
Date: 30/05/2019**

**Place: Dewas
Date: 30/05/2019**



Form No. MGT-11

Proxy

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014]

CIN : U51102MP1991PLC006760

Name of the Company: **PARAG FANS AND COOLING SYSTEMS LIMITED**

Registered office : 1/2 & 1B/3A Industrial Area No. 1 A B Road Dewas MP 455001 IN

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) ofshares of the above named company, hereby appoint:

1. Name:Address:..... E-mail Id:..... Signature:.....
or failing him/her
2. Name:Address:..... E-mail Id:..... Signature:.....
or failing him/her
3. Name:Address:..... E-mail Id:..... Signature:.....
or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Monday 30th September 2019 At 03:00 p.m. at 1/2 & 1B/3A Industrial Area No. 1 A B Road Dewas MP 455001 IN and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution type	Description	For	Against
1.	Ordinary Resolution	To receive and adopt adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2019 and the report of the Directors & Auditors thereon		
2.	Ordinary Resolution	To appoint M/s Ashok Pahawa & Co. Chartered Accountants (Firm Registration No. 009710C) as Statutory Auditors of the company and fix their remuneration.		
3.	Ordinary Resolution	To appoint Director in place of UMESH NAMBIAR (holding DIN 02566355), who retires by rotation		



		and being eligible offers himself for re-appointment.		
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Signed this..... day of..... 2018
Signature of Shareholder.....
Signature of Proxy holder(s).....

Affix Rs.1 Revenue Stamp

Note:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. This is only optional. Please put "x" in the appropriate column against the resolution indicated in the box. If you leave the "For" or "Against" column blank against any or all resolutions. Your proxy will be entitled to be vote in the manner/as he/she thinks appropriate.

**Form No.MGT- 12
Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]



Name of the Company: PARAG FANS AND COOLING SYSTEMS LIMITED Registered Office: 1/2 & 1B/3A Industrial Area No. 1 A B Road Dewas MP 455001 IN CIN: U51102MP1991PLC006760				
BALLOT PAPER				
S No	Particulars	Details		
1.	Name of the first named Shareholder (In Block Letters)			
2.	Postal address			
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)			
4.	Class of Share	Equity Shares		
I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:				
No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive and adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2019 and the report of the Directors & Auditors thereon			
2.	To appoint M/s Ashok Pahawa & Co. Chartered Accountants (Firm Registration No. 009710C) as Statutory Auditors of the company and fix their remuneration.			
3.	To appoint Director in place of UMESH NAMBIAR (holding DIN 02566355), who retires by rotation and being eligible offers himself for re-appointment.			
Place: Date:				
(Signature of the shareholder*)				

(*as per Company records)

ATTENDANCE SLIP
(To be presented at the entrance)

I/We hereby record my/our presence at the twenty-eighth Annual General Meeting of the Company
Annual Report 2019



to be held on Monday, September 30, 2019 at 3:00 p.m. at 1/2 & 1B/3A Industrial Area No. 1 A B Road Dewas MP 455001 IN.

Folio No./DP ID No./Client ID No.

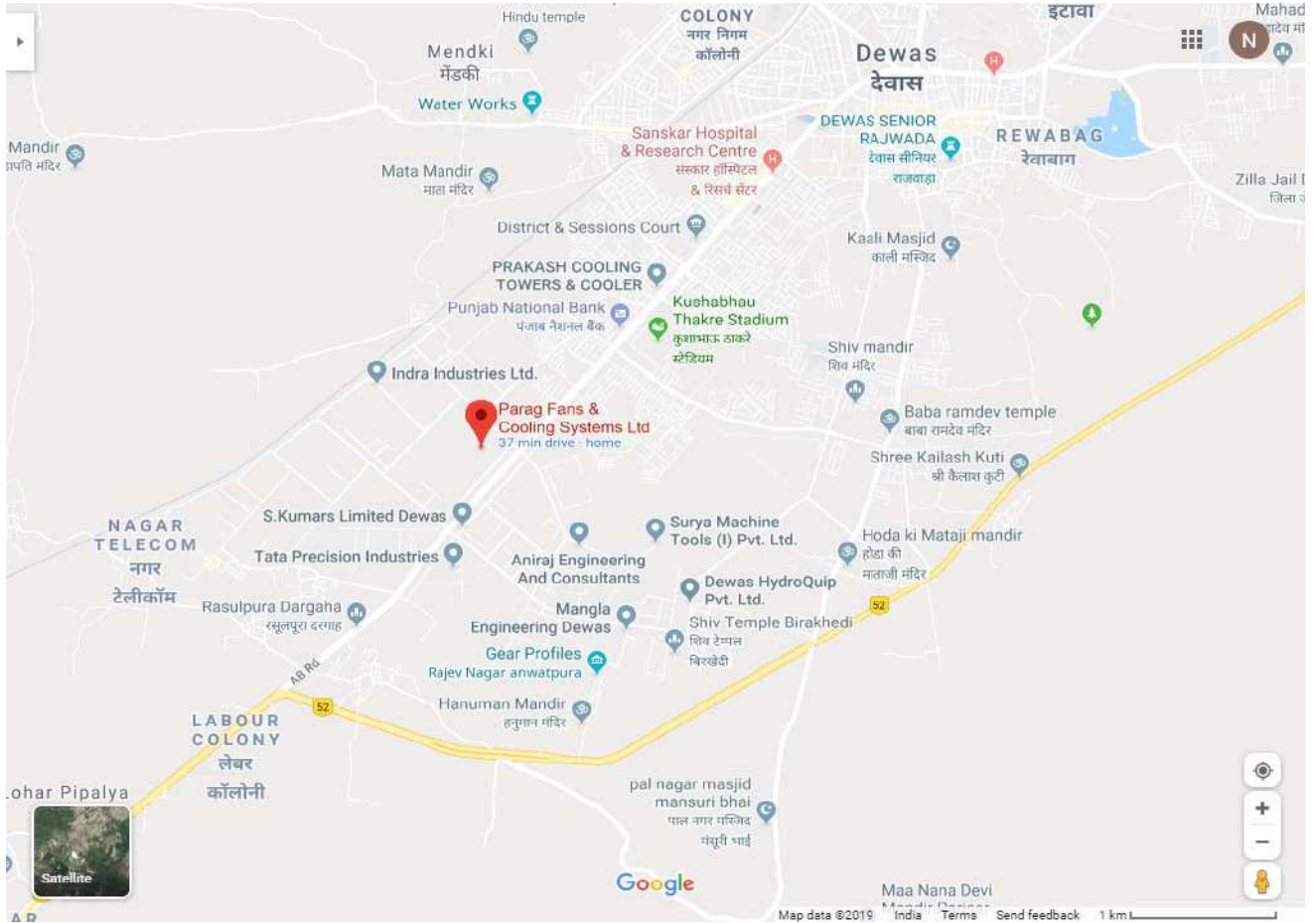
Name of the Member _____ Signature

Name of the Proxyholder _____ Signature

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

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Route Map to the venue of AGM



<https://goo.gl/maps/XmuXJv7eBU15EYTG9>