

# PARAG FANS & COOLING SYSTEMS LIMITED

Regd Off: Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP) 455001.

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## NOTICE

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the members of the company shall be held on Friday the 30<sup>th</sup> September, 2016 at 2:00 P.M at Registered office Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP) to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Profit & Loss Account for the year ended 31.03.2016 and the Balance Sheet as at that date together with the Auditors' Report thereon and the Report of the Directors.
2. To appoint a director in place of Mr. Deepak Pagnis (holding DIN holding DIN 02566436), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider ratification of appointment of Auditors of the company 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 all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of G.P Deodhar & Company, Chartered Accountants (Firm Registration No. 102264W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-Sixth AGM of the Company to be held in the year 2017 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.”

### **4. SPECIAL BUSINESS:**

#### **Adoption of new set of Articles of Association:**

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

**“RESOLVED THAT** pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving full effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“**RESOLVED FURTHER THAT** Mr. Sandeep Badjatia Managing Director and Mr. Deepak Pagnis, Whole Time Directors of the Company is be hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s).”

**Regd. Office:**  
**Plot No. 1/2 & 1B/3A,**  
**Industrial Area No. 1,**  
**AB Road, Dewas (M.P) 455001**  
**Date: 6<sup>th</sup> September, 2016**

**By Order of the Board**

**SD/-**  
**(SANDEEP BADJATIA)**  
**Managing Director**

Notes:

1. **Member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his behalf. A proxy need not be a member of the Company. The instrument appointing a proxy, in order to be effective, must be duly filed, stamped and signed and must reach the Registered Office of the Company not less the Forty-eight hours before the commencement of the Annual General Meeting.**
2. 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.
3. The Register of Members and Share transfer Books of the company will remain close from Sunday, 25<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
4. Members are request to notify/send the following to the Company's Registrars and share transfer agent, **Ankit Consultancy Private Limited**, 60, Electronic Complex, Pardeshipura, Indore, Tel: +91 0731- 3198601/602: Fax: +91 0731- 4065798, E-mail: ankit\_4321@yahoo.com) **to facilitate better servicing :**
  - i) any change in their address / mandate / bank details.
  - ii) Particulars of their bank account, in case the same have not been furnished earlier, and
  - iii) share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single folio.
5. Additional particulars of Director retiring by rotation and eligible for appointment/re-appointment pursuant to Clause 49 of the Listing Agreement are mentioned in the enclosed Annexure.
6. Members desirous of making a nomination in respect of their shareholding, as permitted by Section 72(1) of the Companies Act, 2013, are requested to write to the Share Transfer Agents of the Company for the prescribed form.
7. Members are requested to bring their admission slips along with copy of the report and accounts to the Annual General Meeting.
8. Members who require more information about the accounts are requested to inform the company 7 days in advance their intention to do so, that the proper records relating thereto may be made available.
9. Members are requested to bring their copy of annual report, as extra copy will not be provided in view of cost of paper and printing.

## EXHIBIT TO NOTICE

Details of directors seeking appointments/ re- appointments at the Annual General meeting (In pursuance of clause 49 of the listing agreement)

Name of Director	Mr. Deepak Pagnis
Age	46
Qualification	B. Com
Date of Appointment	04.02.2009
Expertise	Marketing
Other Directorships (Excluding Pvt. Companies) as on 31 <sup>st</sup> March, 2015	1
Chairman /Members of the Committees As on 31st March, 2016	Shareholders Grievance Committee

# **Director's Report**

To,  
The Members,

Your directors have pleasure in presenting their Twenty Fifth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

## **1. Financial Highlights:**

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

(In Rupees)

Particulars	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
Total Income	5,13,69,827.49	1,95,87,141.53
Total Expenditure	3,96,72,618.29	1,90,36,113.24
Profit/(Loss) before Exceptional and extra ordinary item and taxation	1,16,97,209.20	5,51,028.29
Extra ordinary item	1,11,36,860.44	4,41,266.76
Profit Before tax	5,60,348.76	1,09,761.53
Less: Tax Expense:	0.00	0.00
Deferred Tax Assets	621,043.00	940,300.00
<b>Profit/(Loss) after tax</b>	<b>1,181,391.76</b>	<b>1,050,061.53</b>

## **2. Dividend:**

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

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

During the year under review the Company has achieved the net sales of Rs.49,936,758.99 (previous year 17523009.00) and a Net Profit of Rs. 1,181,391.76 (previous year 1050061.53). 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:**

Your company proposes to transfer Rs. 1,181,391.76 to General Reserves.

## **5. Changes in Share Capital, If Any:**

During the Financial Year 2015-16, there was no change in the share capital of the company.

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

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

## **7. Disclosure Regarding Issue of Employee Stock Options:**

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

## **8. Disclosure Regarding Issue of Sweat Equity Shares:**

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



**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:**

There are no related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. All Contracts/ arrangements/ transactions entered by the Company are on Arm's Length Basis during the financial year with the related parties. Therefore disclosure under Form AOC-2 is not required to be furnished.

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

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Deepak Pagnis, 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 brief resume of the Director and other related information is provided in the Exhibit to notice forming part of this Annual Report. Your Directors recommend his re-appointment as Whole Time Director.

**15. Auditors' and their Report:**

Your Directors Comments on the Auditor Report is as follows

1. Your Management is taking the best possible steps for proper maintenance of the records of the Inventories and also ensure to physically verifying the Inventories of the Company.
2. There are no qualifications, reservations or adverse remarks or disclaimers made by G.P Deodhar & Co.

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

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

**a) Technology Absorption: Nil**

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

**b) Foreign Exchange Earnings/ Outgo:**

Earnings	15,122,202 INR
Outgo	4 210,176 INR

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

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

**19. Details of Directors and Key Managerial Personnel**

The Board consist of the following directors namely:-

DIN NO	NAME	DESIGNATION	DATE OF APPOINTMENT
00979809	Mr. Sandeep Badjatia	Managing Director	10.12.2008
02566355	Mr. Umesh Nambiar	Whole Time Director	04.02.2009
02566436	Mr. Deepak Pagnis	Whole Time Director	04.02.2009
00979837	Mrs. Anmol Badjatia	Non Executive Director	30.09.2014
00017285	Mr. Vijay Singh Bharkatiya	Non Executive Director	06.12.2012
00527049	Mr. Mukesh Kumar Jhavar	Non Executive Director	06.12.2012
ACQPT4590E	Mr. Gajendra Takwale	CFO	01/09/2014
AYUPJ1458R	Ms. Ruchi Jaiswal	Company Secretary	01/09/2014

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

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

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

There are no material changes occurring after 31 March, 2016 which may affect the financial position of the Company.

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

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

**24. Deposits:**

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

**25. Receipt of any Commission by MD / WTD from a Company or for Receipt of Commission / Remuneration from It Holding or Subsidiary: Nil****26. Board Independence:**

The Board has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchange.

**27. Appointment of Statutory Auditor:**

M/s G.P. Deodhar & Co., Chartered Accountant, Nagpur ((Firm Registration No. 102264W), has been appointed as Statutory Auditor of the company to hold the office from the conclusion of forthcoming Annual General Meeting (AGM) till the conclusion of the twenty-Sixth AGM of the Company to be held in the year 2017 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.

**28. Cost Auditors: NA**

**29. Secretarial Auditor & Secretarial Audit Report: NA**

**30. Corporate Social Responsibility (CSR) Policy: NA**

**31. Corporate Governance:**

The Report on Corporate Governance forming part of this Annual Report is annexed as **Annexure-IV**.

**32. Audit Committee:**

All the recommendations made by the Audit Committee during the year were accepted by the Board of Directors of the Company. Details of the Audit Committee are available in the Corporate Governance Report, forming part of this annual report.

**33. Nomination & Remuneration Committee:**

Details of the Remuneration Committee are available in the Corporate Governance Report, forming part of this annual report.

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

The Board has carried out annual evaluation of its own performance and of its Committees and individual Directors. The evaluation of each of the directors was done on the basis of their advisory role and contribution in the decision making. Further, the evaluation of the Board as a whole and all the Committees of the Directors was done, on the basis of the overall directions and guidance provided to the senior executives and supervision over their performance.

**35. Disclosure on Establishment of a Vigil Mechanism:**

In the financial year 2014-2015, pursuant to the provision of Section 177 of the Companies Act, 2013 and the revised Clause 49 of the Listing agreement, vigil mechanism for the directors and employees to report their genuine concern has been established within the company. 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.

**36. 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 31<sup>st</sup> March, 2016 of the Companies Act, 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**37. Employee's Remuneration:**

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

**38. Acknowledgment:**

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

Place: Dewas  
Date: 30.05.2016

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

**SD/-  
SANDEEP BADJATIA  
MANAGING DIRECTOR**

**SD/-  
UMESH NAMBIAR  
WHOLE TIME DIRECTOR**

**ANNEXURE- I****Form No. MGT-9****EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31 March, 2016**

[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	L51102MP1991PLC006760
ii)	Registration Date	14.11.1991
iii)	Name of the Company	Parag Fans & 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	1/2B & 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**

**The entire business activities contributing 10% or more of the total turnover of the Company shall be stated:-**

SR. NO.	Name and Description of main product/services	NIC Code of Product/service	% to total turnover of the company
1.			





Foreign Bodies- D R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (B)(2):-</b>	0.00	<b>1468130</b>	<b>1468130</b>	<b>42.05</b>	0.00	<b>1468130</b>	<b>1468130</b>	<b>42.06</b>	0.00
Total Public shareholding(B)=(B)(1)+(B)(2)	<b>0.00</b>	<b>1577430</b>	<b>1577430</b>	<b>45.18</b>	<b>0.00</b>	<b>1577430</b>	<b>1577430</b>	<b>45.19</b>	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>0.00</b>	<b>3491200</b>	<b>3491200</b>	<b>100</b>	<b>0.00</b>	<b>3491200</b>	<b>3491200</b>	<b>100</b>	<b>0.00</b>

**(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	1247799	35.74	0.00	0.00
2.	Impact Projects & Consultants Pvt. Ltd	665974	19.08	0.00	665974	19.08	0.00	0.00

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

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

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

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

**(E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		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
	<b>For Each of the Directors and KMP</b>				
	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 /	0.00	0.00	0.00	0.00

	transfer / bonus/ sweat equity etc):				
	At the End of the year	1247799	35.74	1247799	35.74

## V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,70,33,095.86	18,739,183.55	-	<b>65,772,279.41</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,70,33,095.86</b>	<b>18,739,183.55</b>	<b>0.00</b>	<b>65,772,279.41</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	63,16,251.14	0.00	-	63,16,251.14
· Reduction	(22,09,175.76)	(13,582,899.55)	-	(1,57,92,075.31)
<b>Net Change</b>	<b>41,07,075.38</b>	<b>(13,582,899.55)</b>	<b>-</b>	<b>(94,75,824.17)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,11,40,171.24	51,56,284.00	-	56,296,455.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,11,40,171.24</b>	<b>51,56,284.00</b>	<b>-</b>	<b>56,296,455.24</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sandeep Badjatia	Umesh Nambiar	Deepak Pagnis	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,500,000.00	550,000.00	550,000.00	26,00,000.00
	(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)	1,500,000.00	550,000.00	550,000.00	26,00,000.00
	Ceiling as per the Act				

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mukesh Jahwar	Vijay Sigh Bharkatiya		
1.	Independent Directors				
	· Fee for attending board / committee meetings	12,000.00	12,000.00		24,000.00
	· Commission	-	-		-
	· Others, please specify	-	-		-
	Total (1)	-	-		-
2.	Other Non-Executive Directors	-	-		-
	· Fee for attending board / committee meetings	-	-		-
	· Commission	-	-		-
	· Others, please specify	-	-		-



	Total (2)	-	-			-
	Total (B)=(1+2)	-	-			-
	Total Managerial Remuneration					
	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	-	1,98,000.00	3,96,000.00	5,94,000.00
	(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	-	1,98,000.00	3,96,000.00	5,94,000.00

### 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## **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.

There is an incentive scheme in place for skilled & unskilled labour called 'Saathi Haath Badhanaa' & the results of these schemes & incentives have benefitted all stake holders.

**(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: 30.05.2016**

**SD/-  
(SANDEEP BADJATIA)  
Managing Director**

**CORPORATE GOVERNANCE REPORT**  
**REPORT OF COMPLIANCE WITH CLAUSE 49**  
**OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy on code of Governance as adopted by the Board is as under:

- (i) Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the Board members in control of the company's affairs.
- (ii) Ensure that the Board exercises its fiduciary responsibilities towards shareowners and creditors, thereby ensuring high accountability.
- (iii) Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- (iv) Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof.
- (v) Ensure that the Board, Employees and all concerned are fully committed to maximizing long-term value to the shareowners and the company.
- (vi) Ensure that the core values of the company are protected.

**2. BOARD OF DIRECTORS:**

**(i) Details of Directors:**

Board of Directors of the company ('the Board') comprises of six directors. Mr. Sandeep Badjatia, Chairman, is executive Managing Director of the Company. Mr. Umesh Nambiar and Mr. Deepak Pagnis are executive Whole Time Directors, Mr. V.S. Bharaktiya, and Mrs. Anmol Badjatia are non executive directors. Except the Managing Director, all the directors are liable to retire by rotation. There is no institutional or nominee or government director on the Board.

Details of the Directors of the Company as at 31st March, 2016 are as under:

Directors	Executive/ Non Executive / Independent	No. of outside directorship held		No. of outside Committee positions held	
		Public	Private	Member	Chairman
Mr. Sandeep Badjatia	Executive	1	3	-	-
Mr. Umesh Nambiar	Executive	-	-	-	-
Mr. Deepak Pagnis	Executive	1	-	-	-
Mrs. Anmol Badjatia	Non Executive	1	3	-	-
Mr. V. S. Bharaktiya	Independent	3	2	-	-

### (ii) Details of Board Meetings held during the year:

During the financial year 2015-16, there were total 7 Meetings of the Board of Directors of the Company. Details regarding the date, venue, strength of the Board and Directors present at the respective meetings are as under:

Date of Board Meetings	Place of meetings	Total Strength of the Board	No. of Directors present
15.04.2015	Dewas, M.P.	6	6
30.05.2015	Dewas, M.P.	6	6
10.08.2015	Dewas, M.P.	6	5
01.09.2015	Dewas, M.P.	6	5
05.11.2015	Dewas, M.P.	6	3
24.12.2016	Dewas, M.P.	6	3
23.02.2016	Dewas M. P.	6	3

### (iii) Code of Conduct

The Board of Directors has an important role in ensuring good corporate governance and has laid down the Code of Conduct for Directors and Senior Management of the Company.

#### Declaration as required under clause 49 of the listing Agreement

The members of the Board and Senior Management personnel have affirmed the compliance to the extent applicable for the year ended 31st March, 2016.

May 2016  
Dewas

Sandeep Badjatia  
Managing Director

### 3. Audit Committee:

#### (A) Brief description of terms of reference:

##### Power:

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

##### Role:

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process
8. Approval or any subsequent modification of transactions of the company with related parties
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with internal auditors of any significant findings and follow up there on
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18. To review the functioning of the Whistle Blower mechanism
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Review of Information:**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

**(B) Composition of Committee and number of meetings held:**

Composition of committee as on 31 March, 2016

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

During the financial year 2015-16, 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
18.05.2015	Dewas	3	3
03.08.2015	Dewas	3	3
19.10.2015	Dewas	3	3
30.01.2016	Dewas	3	3

**4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**

The shareholder/investor grievances committee was constituted on 4th February, 2009.

**(A) Brief description of terms of reference:**

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the Redressing of shareholders and investors complaints like:

- (i) Transfer of Shares, Transmissions of shares.
- (ii) Non-receipt of Annual Report, etc.

**(B) Composition of Committee and number of meetings held:**

Composition of the Committee as on 31<sup>st</sup> March 2016

S.No	Name	Designation	Position in Committee
1.	Mr. Deepak Pagnis	Director	Chairman
2.	Mr. VijaySingh Bharaktiya	Director	Member
3.	Mrs. Anmol Badjatia	Director	Member

The Company has given powers to the committee to implement transfer and transmission of Shares and to resolve the relating problems. And also to resolved the complaints within a period of 14 days from the date of its receipts.

**3. NOMINATION AND REMUNERATION COMMITTEE:****(A) Brief description of terms of reference:**

The terms of reference of the Committee are to review and recommend remuneration payable to the executive directors. The Committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to management.

**(B) Composition of Committee and number of meetings held:**

Composition of the Committee as on 31<sup>st</sup> March 2016

S.No	Name	Designation	Position in Committee
1.	Mr. Deepak Pagnis	Director	Chairman
2.	Mr. Vijay Singh Bharaktiya	Director	Member
3.	Mrs. Anmol Badjatia	Director	Member

During the financial year 2015-16, there was total 1 meeting of the remuneration committee of the Company. Details regarding the date, venue, strength of the audit committee present at the respective meetings are as under:

Date of the Meetings	Place of meetings	Total Strength of the Board	No. of Directors present
27.07.2015	Dewas	3	3

**4. GENERAL MEETINGS:**

Location and time, where last three AGMs were held:

Financial Year	2012-13	2013-14	2014-15
Date	30.09.2013	30.09.2014	25-09-2015
Time	2.00 P.M.	2.00 P.M.	11.00 A.M.
Venue	Dewas (M.P.)	Dewas (M.P.)	Dewas (M.P.)

**5. DISCLOSURES:****Related Party Transaction:**

All the transaction with the related party are carried out at arm's length price. There are no material significant related party transaction made by the company with its promoters, directors or the management, their subsidiaries or relative that may have potential conflict with the interest of the company at large. Disclosure of the arm's length transaction forms the part of Auditor's Report.

**.Whistle Blower Policy**

The Board of Directors of the Company has approved and adopted a Whistle Blower Policy of the Company as required under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**6. MEANS OF COMMUNICATION:**

The notice of the AGM along with the report is sent to the shareholders well in Advance of the AGM.

**7. GENERAL INFORMATION TO SHAREHOLDERS**

ANNUAL GENERAL MEETING :

Date : 30<sup>th</sup> September, 2016  
Time : 2.00 P. M.  
Venue : Regd. Office: Plot no. 1/2B & 1B/3A Industrial  
Area No.1, Dewas (M.P.)



**FINANCIAL CALENDAR**

1st April to 31st March every year

**BOOK CLOSER DATES:**

25<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive)

**LISTING ON STOCK EXCHANGES:**

The Equity Shares of the Company is listed on M.P. Stock Exchange, Ahmedabad Stock Exchange Limited, Jaipur Stock Exchange Limited and Madras Stock Exchange Limited.

**SHARE TRANSFER SYSTEM:**

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. In cases where shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

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

**Place: Dewas  
Date: 30.05.2016**

**SD/-  
(SANDEEP BADJATIA)  
Managing Director**

**AUDITED FINANCIAL  
STATEMENTS**

**OF**

**PARAG FANS AND  
COOLING SYSTEMS  
LIMITED**

**FOR THE PERIOD ENDING ON  
31<sup>ST</sup> MARCH 2016**

**AUDITORS**

**M/S G.P.DEODHAR & CO.  
CHARTERED ACCOUNTANTS  
105 & 106, CRYSTAL PLAZA,  
276, CENTRAL BAZAR ROAD,  
NEAR KRIMS HOSPITAL,  
RAMDASPETH, NAGPUR-440 010**

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
Parag Fans and Cooling Systems Ltd

## Report on the Financial Statements

We have audited the attached Balance Sheet of PARAG FANS AND COOLING SYSTEMS LIMITED As at 31<sup>st</sup> March 2016 and the Statement of Profit and Loss & Cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give

a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

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

- a). In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016; and
- b). In the case of Statement of Profit & Loss, of the Profit for the year ended on that Date.
- c). In the case of cash flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

PLACE: NAGPUR  
DATE: 30/05/2016



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

  
GIRISH DEODHAR  
PARTNER  
MRN:037101

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

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

**1. In respect of Fixed Assets**

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to the information and explanation given to us these fixed assets have been physically verified by the management at reasonable intervals. However no discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and the records produced before us and based on the examination of available records, provided to us, we report that, the title deeds of Immovable properties shown in Balance Sheet as on 31/03/2016 are in the name of Company.

**2. In respect of its inventories**

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

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

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

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



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

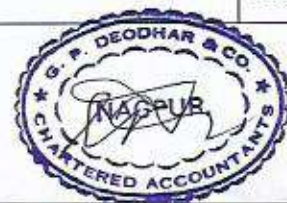
Name of Party	Relation	Opening Balance as on 01/04/2015	Balance Amount as on 31/03/2016	Nature
Sandeep Badjatia	Director	50,00,000.00	50,00,000.00	Unsecured Loan
Impact Projects and Consultants Private Limited	Sister Concern	22,64,878.00	1,56,284.00	Unsecured Loan

6. The company is not required to maintain cost records as per the provisions of section 148 (1) of the Companies Act 2013 as the turnover of the company is below the threshold limit mentioned in cost audit rules 2016

7. (a) On our examination of books of accounts and information and explanation given by the management, there are no 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 31.03.2016 for a period of more than six months from the date they became payable except for profession tax amounting to Rs.85,086.00 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 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	1,65,882/-	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 Excise, 1944	Excise Penalty	9,16,000/-	Financial Year 1997-98
Income Tax Act, 1961	Income Tax	27,57,630/-	Financial Year 2010-11
Income Tax, 1961	Income Tax	87,76,750/-	Financial Year 2011-12

8. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of loans taken from bank or financial institution.
9. Based upon the audit procedures performed and the information and explanations given by the management, during the year the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company has complied with section 197 read with Schedule V of the Companies Act, 2013 regarding Managerial remuneration.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and hence the requirements of section 42 of the companies act, 2013 need not be complied with.



15. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order is not applicable to the Company and hence not commented upon.

PLACE: NAGPUR  
DATE: 30/05/2016



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

  
GIRISH DEODHAR  
PARTNER  
MRN:037101



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **PARAG FANS AND COOLING SYSTEMS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential Components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Nagpur  
Date:30/05/2016



For G.P.DEODHAR & Co.  
Chartered Accountants  
FRN - 102264W

  
GIRISH DEODHAR  
PARTNER  
MRN:037101

**PARAG FANS AND COOLING SYSTEMS LTD.**  
**BALANCE SHEET AS AT 31st MARCH 2016**

	PARTICULARS	Note No.	AS AT 31st MARCH, 2016	AS AT 31st MARCH, 2015
			(In Rs.)	(In Rs.)
<b>A</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b>Shareholder's Fund</b>			
	(a) Share Capital	1	34,912,000.00	34,912,000.00
	(b) Reserve & Surplus	2	-22,907,573.38	-24,079,223.86
<b>2</b>	Share Application Money Pending Allotment		0.00	5,000,000.00
<b>3</b>	<b>Non Current Liabilities</b>			
	(a) Long Term Borrowings	3	6,326,539.24	20,749,142.55
	(b) Deffered Tax Liability		5,134,323.69	5,755,366.69
<b>4</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowings	4	49,969,916.00	45,023,136.86
	(b) Trade payables	5	17,482,492.32	18,806,584.32
	(c) Other current liabilities	6	29,630,732.62	11,044,459.25
	(d) Short-term provisions	7	2,989,208.93	3,421,356.95
	<b>TOTAL</b>		<b>123,537,639.42</b>	<b>120,632,822.76</b>
<b>B</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets			
	i) Tangible Assets	8	15,148,271.17	18,793,538.88
	ii) Intangible Assets		0.00	0.00
	iii) Capital Work In Progress		6,899,607.00	6,899,607.00
	iv) Intangible Assets under Development		0.00	0.00
	(b) Non Current Investments	9	80,300.00	80,300.00
	(c) Long Term Loans And Advances		0.00	0.00
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories		70,884,648.00	53,351,239.30
	(b) Trade receivables	10	21,434,045.74	22,199,440.15
	(c) Cash and cash equivalents	11	5,908,796.54	5,753,487.96
	(d) Short-term loans and advances	12	0.00	7,310,174.00
	(e) Other current assets	13	3,181,970.97	6,245,035.47
	Significant Accounting Policies & Notes to Accounts	22		
	<b>TOTAL</b>		<b>123,537,639.42</b>	<b>120,632,822.76</b>
	See accompanying notes forming part of the financial statements	1 to 22		

0.00

0.00

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

  
SANDEEP BADJATIA  
DIRECTOR  
DIN:00979809

  
UMESH NAMBIAR  
DIRECTOR  
DIN: 02566355

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



  
GIRISH DEODHAR  
PARTNER  
Mem No.037101

Place : Dewas  
Date :30/05/2016

Place : Nagpur  
Date : 30/05/2016

**PARAG FANS AND COOLING SYSTEMS LTD.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2016**

	PARTICULARS	Note No.	For the year ended	For the year ended
			31 March, 2016	31 March, 2015
			(In Rs.)	(In Rs.)
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (Exclusive of Taxes)	14	49,936,758.99	50,024,787.00
	Less: Returns (Out of the Sales made in F.Y. 2013-14)		0.00	32,501,778.00
	<b>Net sales</b>		<b>49,936,758.99</b>	<b>17,523,009.00</b>
2	Other income	15	1,433,068.50	2,064,132.53
3	<b>Total revenue</b>		<b>51,369,827.49</b>	<b>19,587,141.53</b>
4	<b>EXPENDITURE</b>			
	Raw Material Consumed	16	13,521,707.48	13,738,785.70
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	17	-7,918,537.18	-35,808,056.00
	Employee benefits expense	18	8,068,748.00	7,660,477.00
	Finance costs	19	8,978,070.76	8,047,821.23
	Depreciation and amortisation expense	8	3,635,526.43	4,942,991.48
	Other expenses	20	13,387,102.80	20,454,093.83
	<b>Total expenses</b>		<b>39,672,618.29</b>	<b>19,036,113.24</b>
5	<b>Profit before exceptional and extraordinary items and tax (3 - 4)</b>		11,697,209.20	551,028.29
6	Exceptional items		0.00	0.00
7	<b>Profit before extraordinary items and tax (5 - 6)</b>		11,697,209.20	551,028.29
8	Extraordinary items	21	11,136,860.44	441,266.76
9	<b>Profit before tax (7 -8)</b>		560,348.76	109,761.53
10	<b>Tax expense:</b>			
	(a) Current tax expense for current year		0.00	0.00
	(e) Deferred tax Asset		621,043.00	940,300.00
11	<b>Profit from continuing operations (9 -10)</b>		1,181,391.76	1,050,061.53
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
12.i	Profit / (Loss) from discontinuing operations (before tax)		0.00	0.00
12.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		0.00	0.00
12.iii	Add / (Less): Tax expense of discontinuing operations			
	(a) on ordinary activities attributable to the discontinuing operations		0.00	0.00
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		0.00	0.00
13	<b>Profit / (Loss) from discontinuing operations</b>		0.00	0.00
<b>C</b>	<b>TOTAL OPERATIONS</b>			
14	<b>Profit / (Loss) for the year (11 + 13)</b>		<b>1,181,391.76</b>	<b>1,050,061.53</b>

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**PARAG FANS AND COOLING SYSTEMS LTD.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2016**

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2016 (In Rs.)	31 March, 2015 (In Rs.)
<b>14.i Earnings per share</b>			
(a) Basic			
(i) Continuing operations		0.34	0.30
(ii) Total operations		0.34	0.30
(b) Diluted			
(i) Continuing operations		0.34	0.30
(ii) Total operations		0.34	0.30
<b>14.ii Earnings per share (excluding extraordinary items)</b>			
(a) Basic			
(i) Continuing operations		0.34	0.30
(ii) Total operations		0.34	0.30
(b) Diluted			
(i) Continuing operations		0.34	0.30
(ii) Total operations		0.34	0.30
Significant Accounting Policies & Notes to Accounts	22		
Refer accompanying notes forming part of the financial statements	1 to 22		

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

  
 SANDEEP BADJATIA  
 DIRECTOR  
 DIN:00979809

  
 UMESH NAMBIAR  
 DIRECTOR  
 DIN: 02566355

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



  
 GIRISH DEODHAR  
 PARTNER  
 Mem No.037101

Place : Nagpur  
 Date :30/05/2016

Place : Dewas  
 Date : 30/05/2016

**PARAG FANS AND COOLING SYSTEMS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH, 2016**

PARTICULARS	FOR THE YEAR ENDED 31.03.2016	
	Amount Rs.	Amount Rs.
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax		560,348.76
<i>Adjustments for:</i>		
Add: Depreciation and amortisation	3,635,526.43	
Add: Finance costs	8,978,070.76	
Less: Interest income	468,597.22	12,144,999.97
<b>Operating profit / (loss) before working capital changes</b>		<b>12,705,348.73</b>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Less: Increase in Inventories	17,533,408.70	
Add: Decrease in Trade receivables	765,394.41	
Add: Decrease in Short-term loans and advances	7,310,174.00	
Add: Decrease in Other current assets	3,063,064.50	
<b>Less: Increase in operating Assets</b>		<b>6,394,775.79</b>
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Less: Decrease in Trade payables	1,324,092.00	
Add: Increase in Other current liabilities	18,586,273.37	
Less: Decrease in Short-term provisions	432,148.02	
<b>Add: Increase in Operating Liabilities</b>		<b>16,830,033.35</b>
Cash flow from extraordinary items		23,140,606.29
Cash generated from operations		0.00
Net income tax (paid) / refunds		23,140,606.29
		0.00
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>23,140,606.29</b>
<b>B. Cash flow from investing activities</b>		
Less: Capital expenditure on Tangible fixed assets	0.00	
Add: Interest Received on MPSEB	2,455.22	
Add: Interest Received on FDR	466,142.00	
		468,597.22
Net income tax (paid) / refunds		468,597.22
		0.00
<b>Net cash flow from investing activities (B)</b>		<b>468,597.22</b>

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<b>C. Cash flow from financing activities</b>		
Less: Decrease in Share Application Money	5,000,000.00	
Less: decrease in long Term Borrowings	14,422,603.31	
Add: Increase in Short term Borrowings	4,946,779.14	
Less: Finance cost	8,978,070.76	
<b>Add: Increase in cash flow from Financing Activities</b>		<b>23,453,894.93</b>
Cash flow from extraordinary items		0.00
<b>Net cash flow used in financing activities (C)</b>		<b>23,453,894.93</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>155,308.58</b>
Cash and cash equivalents at the beginning of the year		5,753,487.96
Effect of exchange differences on restatement of foreign currency Cash and cash		0.00
<b>Cash and cash equivalents at the end of the year</b>		<b>5,908,796.54</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet		5,908,796.54
Less: Bank balances not considered as Cash and cash equivalents as defined in AS		0.00
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		5,908,796.54
Add: Current investments considered as part of Cash and cash equivalents (as		0.00
<b>Cash and cash equivalents at the end of the year *</b>		<b>5,908,796.54</b>
		0.00

Place: Nagpur  
Date: 30/05/2016

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

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

  
Sandeep Bajajatia  
Director  
DIN:00979809

  
Umesh Nambiar  
Director  
DIN: 02566355



  
GIRISH DEODHAR  
PARTNER  
Mem No.037101

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

**Note 1 : SHARE CAPITAL**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Authorised :</b>		
35,00,000 Equity shares of Rs. 10 each (Pre Year 35,00,000 Equity Shares of Rs.10/- each)	35,000,000.00	35,000,000.00
5,00,000 Preference Shares of Rs. 10/- each (Pre Year 5,00,000 Equity Shares of Rs.10/- each)	5,000,000.00	5,000,000.00
<b>Issued, Subscribed &amp; Paid :</b>		
34,91,200 Equity Shares of Rs.10/- each fully paid up (Pre Year 34,91,200 Equity Shares of Rs.10/- each)	34,912,000.00	34,912,000.00
<b>Total</b>	<b>34,912,000.00</b>	<b>34,912,000.00</b>

**Notes:**

**1. The reconciliation of the number of shares outstanding as on March 31, 2016 and March 31, 2015 is set out below:**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	Amount	Nos.	Amount
1. Shares outstanding at the beginning of the year	3491200	34,912,000.00	3491200	34,912,000.00
2. ADD :Shares issued during the year	0	0.00	0	0.00
3. LESS : Shares bought back during the year	0	0.00	0	0.00
4. Shares outstanding at the end of the Year	3491200	34,912,000.00	3491200	34,912,000.00

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

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
B3 Projects and Consultants Pvt Ltd	-	0.00%	399,035.00	11.43%
Sandeep Badjatia	1,247,799.00	35.74%	1,247,799.00	35.74%
Impact Projects and consultants Pvt Ltd	665,971.00	19.08%	266,936.00	7.65%
Dinesh Seetha	287,000.00	8.22%	287,000.00	8.22%
Priyanka Fincap Pvt Ltd	254,800.00	7.30%	254,800.00	7.30%
Vimal Sodhani	452,250.00	12.95%	452,250.00	12.95%
Pankaj Bhargava	196,760.00	5.64%	196,760.00	5.64%
<b>Total</b>	<b>3,104,580.00</b>	<b>88.93%</b>	<b>3,104,580.00</b>	<b>88.93%</b>

**Note 2 RESERVES AND SURPLUS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Profit and Loss Account</b>		
Opening balance	(50,766,223.86)	(51,816,283.39)
Add: Profit / (Loss) for the year	1,181,391.76	1,050,061.53
Less: Dep Adjustment	9,741.27	0.00
	(49,594,573.38)	(50,766,223.86)
Shares Premium Account	24,687,000.00	24,687,000.00
Grant from Department of Scientific Industrial Research, G.O.I	2,000,000.00	2,000,000.00
<b>TOTAL</b>	<b>(22,907,573.38)</b>	<b>(24,079,223.86)</b>

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**Note3 LONG TERMS BORROWINGS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Secured :</b>		
Car Loan Bank of India	1,170,255.24	2,009,959.00
<b>Unsecured :</b>		
<b>Loans from related parties</b>		
Mr. Sandeep Badjatia	5,000,000.00	5,000,000.00
Impact Projects & Consultants Pvt. Ltd	156,284.00	2,264,878.00
<b>Other Loans</b>		
V.C. Sodhani	0.00	1,004,739.00
EPCO Loan	0.00	10,469,566.55
<b>TOTAL</b>	<b>6,326,539.24</b>	<b>20,749,142.55</b>

Notes: As per Memorandum of Understanding dated 01/05/2016 between Parag Fans and Cooling systems Limited and Mr. Vimal Sodhani and EPCO regarding the arbitration claim filed no. 20/2007 and winding up petitions nos. 12/2002, 13/2002 and 14/2002, company appeals no. 1/2015, 2/2015, 3/2015 before the high court Indore and arbitration appeals no. 06/2015 before the ADJ Dewas district court, The company has to pay Rs. 2,25,00,000/- as full and final settlement as against the claims which was filed by Mr. Vimal Sodhani. Out of the total amount of Rs.2,25,00,000/- the company has paid Rs. 50,00,000/- on 01/05/2016 and remaining amount is payable in 14 equal monthly Installments of Rs. 12,50,000/- each. Out of the remaining amount payable the company will have to pay Rs. 1,25,00,000/- (Rs. 12,50,000/- per month for 10 Months in financial year 2016-17 starting from June 2016 to March 2017. Hence the amount of Rs. 1,64,74,305.25 payable as on 31/03/2016 has been transferred to current liability during current financial year. The details of the same are as follows:

Name of Party	Balance as on 31/03/2016 which was transferred to current liability (In Rs.)
Vimal Sodhani (Share application Money)	5,000,000.00
Vimal Sodhani (Unsecured Loan)	1,004,739.00
EPCO Loan	10,469,566.55
<b>Total</b>	<b>16,474,305.55</b>

**Notes:**

**1) Terms of Repayment of Term Loans**

PARTICULARS	YEAR OF LOAN TAKEN	AMOUNT OF LOAN(Rs.)	TENURE (MONTHS)	EMI
CAR LOAN BANK OF INDIA	2012-13	4,440,000.00	60.00	96,426.00

**Notes:**

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

Sr. No.	Name of Related parties	Relationship	Loan Taken/Adjusted against debtor or creditor Balance (Rs.) during the Year	Loan Repaid/Adjusted against debtor or creditor Balance (Rs.) during the Year	Closing Balance (Rs.)
1	Mr. Sandeep Badjatia	Director	0.00	0.00	5,000,000.00
2	Impact Projects & Consultants Pvt. Ltd	Sister Concern	0.00	0.00	156,284.00

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**Note 4 SHORT TERM BORROWINGS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Secured</b>		
Bank of India EPC A/c	8,630,528.00	10,000,000.00
Bank of India-11057, Dewas (Cash Credit)	31,475,853.00	30,411,378.86
National Small Industries Corporation Ltd.	9,863,535.00	4,611,758.00
<b>TOTAL</b>	<b>49,969,916.00</b>	<b>45,023,136.86</b>

**Notes:**

- 1 The total amount sanctioned by the bank for the purpose of cash credit is Rs. 300 Laacs
- 2 The above loan is secured by hypothecation of Stock and Book debts and by personal guarantee of Directors namely Mr. Sandeep Badjatia (MD), Mr. Umesh Nambiar (Director) and Mr. Deepak Pagnis (Director)  
In addition the loan is collaterally Secured as follows:  
a) Equitable Mortgage of Company's fixed assets comprising of lease hold Land Admeasuring 5141.00 sqm (leased by DIC) situated at Plot No. 1/2 & 1B/3A, Industrial Area No.1 A.B. Road Dewas, M.P. 455001
- 3 The amount sanctioned by National Small Industries Corporation Ltd under raw material assistance scheme is against the Bank guarantee of Rs. 100 lacs in favour of NSIC
- 4 In the financial year 2013-14 the amount of Export Package Credit of Rs. 200 Laacs was sanctioned by Bank of India. During the year 2014-15 the bank has converted the amount of Rs.100 lacs from Export Package Credit facility to cash credit Limit thus reducing EPC to Rs. 1 Crores. and enhancing Cash Credit Limit to Rs. 3.00 Crores

**Note 5 TRADE PAYABLES**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Sundry Creditors</b>		
Aditi Engineers And Instruments	131,580.00	131,580.00
Anil Logistics	11,250.00	11,250.00
Ankit Engineers A/C	22,264.00	115,264.00
Badshah Trading Co. Dewas	64,385.60	69,970.60
Badshah Trading Corporation, Indore	0.00	16,421.00
Bhavna Enterprises	233,709.00	233,709.00
Compact tools Dewas	66,845.80	66,845.80
Creative Engineers	30,000.00	30,000.00
Crest Composites & Plastics Pvt. Ltd.	3,090,192.84	3,297,431.84
Deepak Enterprises, Dewas	217,533.00	287,992.00
Fibro Plast Corporation	1,006,426.04	1,452,571.04
Geeta Timber Mart, Indore	500,391.00	500,391.00
Patel Wood Work	77,379.00	0.00
Govind Malav & Co. Indore	100,580.00	100,580.00
H.M. Shah & co. , Indore	20,500.00	20,500.00
Harish Printing Press	2,400.00	2,400.00
Hotel Sagar	18,090.00	18,090.00
Indore Gujrat Carrier	0.00	28,742.00
Indotech Industries(I) Pvt. Ltd. (Unit-2) Dewas	250,036.00	300,036.00
Indra Stationery Mart, Dewas	3,002.00	3,392.00
Jayant Enterprises , Indore	261,741.00	222,868.00
Neela Enterprises, Dewas	14,082.00	0.00
Mahaganjrat Foundry, Ahmedabad	583,393.21	587,530.21
Mamta Casting & Repairing Works, Dewas	0.00	36,095.00
Manibhadra Sales Corporation	3,146.00	0.00
Mitasha Industries	1,609,700.00	1,814,863.00
Mufaddal Hardware & paints, Dewas	18,340.00	6,889.00
New J.K Industries, Bhopal	(35,041.75)	(35,041.75)
Murtuza Steel Industries, Indore	608,137.00	134,379.00
Pride Industrial Equipments (I) Pvt. Ltd.	178,690.00	160,406.00
Pride Industrial Services	616,767.44	966,767.44
QSI India Certification Pvt Ltd	10,112.00	0.00
Rahul Foam A/c	24,789.00	48,603.00
Rajeev Enterprises, Indore	0.00	1,012,894.00
Reswal Trading Company A/c	0.00	328.00
Rexine House Dewas	4,885.00	4,885.00
Roshan Frieght Lines (India) Pvt. Ltd.	188,051.00	188,051.00
RRK Packers	71,772.00	25,776.00
Sanghvi Enterprise	0.00	64,783.00
Quality Plywood Center	16,195.00	0.00
Shiv Shakti Engineering Works	0.00	31,515.00
Shivam Enterprises, Dewas	33,861.00	47,854.00
Shreya Enterprises	25,498.00	25,498.00
Shri Paravati Industries A/c	566,513.00	726,050.00
SNG Unicorn Worldwide Shipping	293,967.00	430,938.00
Transport (inwards)	311,836.00	147,789.00
Transport (Outward)	2,097,886.00	2,422,215.00
U.R. Engineering Company	0.00	103,183.00
United Fiber Composites Pvt. Ltd	0.00	4,089.00
Rafik Sheikh	1,435.00	0.00
Vishwas Packing, Dewas	134,966.00	146,741.00
<b>Total Carried Forward</b>	<b>13,487,285.18</b>	<b>16,013,114.18</b>

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Total Brought Forward	13,487,285.18	16,013,114.18
J K Products India	5,621.00	2,486.00
Kent Enterprises, Indore	818.00	818.00
Kailtech Test & Research Centre (P) Ltd.	2,079.00	2,079.00
Multi Mode Logistics India Pvt. Ltd	8,266.00	7,090.00
Oasis Enterprises	0.00	(146,560.00)
Sabir Hussain Hasan Ali Rassi Wala, Dewas	187,287.50	173,949.50
kamri Printing Press, Indore	3,300.00	3,525.00
Shadab Hardware & Paints	24,085.00	0.00
Sarita Construction & Co	0.00	204,619.00
Arpit Industries	0.00	15,750.00
Shanti Packing, Dewas	0.00	26,146.00
S.V Enterprises	0.00	23,081.00
Shraddha Services, Indore	63,900.89	81,318.89
Shree Ganseh Enterprises	590,391.00	393,476.00
Siddharth Cargo & Couriers, Indore	561.00	561.00
Badshah Steels	0.00	443,526.00
Talati Electric Works Dewas	0.00	1,959.00
Dewas Paint Centre	2,297.00	2,297.00
Enbee Eneterprises, Indore	34,172.00	34,172.00
S.S Weighing & Instrumentation	0.00	1,650.00
Sunshine Fastech Pvt. Ltd.	226,115.00	226,115.00
Stella Performance Additives LLP	439,951.00	564,203.00
Greenwich Meridian Logistics (I) Pvt. Ltd.	10,211.00	4,759.00
Vepro Weighing, Dewas	4,350.00	7,589.00
Vivek Plastic, Dewas	0.00	16,482.00
Vijeet Engineers	187,034.00	83,319.00
Technocraft Engineering Company, Dewas	0.00	6,240.00
A.K.Timber, Dewas	114,939.00	228,600.00
HDFC Ergo GIC Ltd.	0.00	68,156.39
Impact Fans and Cooling Systems limited	0.00	316,063.36
Khaitan Commercial Services	0.00	0.00
V- Trans (India) Ltd	376,905.00	0.00
Bharti Airtel Ltd	13,874.75	0.00
Ankit Fiber Glass	18,489.00	0.00
M.B. Tubes	16,233.00	0.00
MVP India	1,571,251.00	0.00
Oswal Sales Corporation, Indore	(3,368.00)	0.00
Trade Asia	91,330.00	0.00
Hotel Abhilasha	833.00	0.00
Madhyanchal Steel Pvt. Ltd.	575.00	0.00
Perfection	2,450.00	0.00
Rajesh Solanki	1,000.00	0.00
Sanjay Photocopy	256.00	0.00
<b>Total</b>	<b>17,482,492.32</b>	<b>18,806,584.32</b>

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**Note 6: OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Car Loan Principal payable in next year	801,340.00	801,340.00
Technology Information, Forecasting and Assessment Council Loan		
Shree Traders (F)	(244,204.00)	239,405.00
Shri Sai Labour Contractors	182,069.61	202,069.61
Yugal Trading Co. (F)	174,196.00	174,196.00
Ankit Consultancy Pvt.Ltd.	25,790.60	25,790.60
Neelesh Gupta &Co.	95,040.00	63,733.00
Priti Singi (Company Secretary)	106,145.00	134,945.00
Rajesh Singi & Associates	21,050.00	21,050.00
Raj Computer	0.00	518.00
Syscraft Information Systems	5,000.00	3,750.00
S.S.Security Services, Dewas	5,500.00	5,500.00
Yeshwant Consultancy Services	257,292.30	291,824.30
Khandelwal Resins & Polymers	0.00	4,075.00
Tarun Khandelwal & Associates	1,863,631.00	1,863,631.00
Girish Electrical & Repairing Centre	0.00	12,472.00
J.J.Medicos A/C	31,879.00	39,992.00
Maharaj Enterprises	7,303.00	720.00
Manisha & Associates	2,000.00	5,400.00
Joshi Mahajan & Co.	0.00	20,000.00
Welspun Projects Limited	33,708.00	0.00
Yadav Shree Engineering Works , Dewas	5,477.00	1,567.00
Rajasthan Udyog	101,384.00	224,928.00
Shree Sai Engineering Works	(61,540.00)	(7,435.00)
Dewas Zinc Platers	0.00	7,595.20
Car hire	5,342.00	34,825.00
Garima Service Providers	0.00	350,000.00
Eureka Forbes Ltd.	10,649.00	10,649.00
Mangesh Deodhar	0.00	1,240.00
Sandeep Badjatia Current Account	45,000.00	45,000.00
Mrs.Suman jain	2,812,435.00	5,937,776.00
Directors Sitting Fees Payable	0.00	190,000.00
Arvind Panday	48,000.00	24,000.00
Sachin Sharma Freight A/C	2,500.00	24,913.00
Suntosh Dhawale Adv. A/c	(1,120.00)	8,625.00
Raunaq Badjatia A/c	0.00	221.00
Deepak Pagnis Ta A/C	0.00	95,077.00
Umesh Nambiar Adv. A/c	50.00	56,901.00
Gajendra Takwale	9,400.20	125,765.54
Vimal Sodhani	1,622.00	2,400.00
V C Sodhani (Unsecured Loan)	5,000,000.00	0.00
EPCO Loan	1,004,739.00	0.00
Impact Fans and Cooling Systems Limited (Advance from Debtor)	10,469,566.55	0.00
<b>TOTAL</b>	<b>29,630,732.62</b>	<b>11,044,459.25</b>

Note: As per Memorandum of Understanding dated 01/05/2016 between Parag Fans and Cooling systems Limited and Mr. Vimal Sodhani and EPCO regarding the arbitration claim filed no. 20/2007 and winding up petitions nos. 12/2002, 13/2002 and 14/2002, company appeals no. 1/2015, 2/2015, 3/2015 before the high court Indore and arbitration appeals no. 06/2015 before the ADJ Dewas district court. The company has to pay Rs. 2,25,00,000/- as full and final settlement as against the claims which was filed by Mr. Vimal Sodhani. Out of the total amount of Rs.2,25,00,000/- the company has paid Rs. 50,00,000/- on 01/05/2016 and remaining amount is payable in 14 equal monthly installments of Rs. 12,50,000/- each. Out of the remaining amount payable the company will have to pay Rs. 1,25,00,000/- (Rs. 12,50,000/- per month for 10 Months in financial year 2016-17 starting from June 2016 to March 2017. Hence the amount of Rs. 1,64,74,305.25 payable as on 31/03/2016 has been transferred to current liability during current financial year. The details of the same are as follows:

Name of Party	Balance as on 31/03/2016 which was transferred to current liability (In Rs.)
Vimal Sodhani (Share application Money)	5,000,000.00
Vimal Sodhani (Unsecured Loan)	1,004,739.00
EPCO Loan	10,469,566.55
<b>Total</b>	<b>16,474,305.55</b>

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**Note 7 : SHORT TERM PROVISIONS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Provision for Electricity Charges	0.00	10,301.00
Excise Duty Payable	428,531.13	95,046.15
Service Tax Payable	40,598.00	0.00
Entry Tax Payable	23,139.00	45,413.00
TDS Payable	264,441.80	255,306.80
ESIC Payable	43,681.00	164,411.00
PF Payable	368,448.00	648,365.00
Audit Fees Payable	188,979.00	254,415.00
Profession Tax Payable	85,086.00	63,131.00
Sales Tax Payable	89,519.00	705,141.00
Salary and Wages Payable	1,456,786.00	1,179,827.00
<b>TOTAL</b>	<b>2,989,208.93</b>	<b>3,421,356.95</b>

**Note 9 : NON CURRENT INVESTMENTS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Equity Shares - Quoted, Fully Paid Up</b>		
Bank Of India	18,000.00	18,000.00
S.B.I Magnum	2,050.00	2,050.00
MPEB Security deposit	60,250.00	60,250.00
<b>TOTAL</b>	<b>80,300.00</b>	<b>80,300.00</b>

**Note 10 : TRADE RECEIVABLES**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>Trades Recievable</b>		
Amgen Manufacturing Limited	0.00	3,069,248.00
Ardhendumauli K. Prasad	0.00	20,000.00
Bhandari Foils & Tubes Ltd.	0.00	37,001.00
Bharat Oman Refineries Ltd.	0.00	1,134.00
BMM Ispat Ltd.	238,663.00	823,612.00
Effimax air Cooled Condensers Pvt. Ltd.	72,138.00	72,138.00
Elpro Energy Dimention Pvt. Ltd.	18,161.00	18,161.00
Fans Asia Pvt. Ltd.	3,016,000.00	5,524,900.00
G&I Industries Systems Ltd.	239,377.50	239,377.50
Green Cooling Towers Operations LLC	8,306,553.00	8,306,553.00
Indian Oil Corporation Ltd.	255,814.75	244,260.00
Innovex Asia Co. Ltd	529,934.84	0.00
Ispat Damodar Ltd.	(10,506.00)	(10,506.00)
Jaiprakash Associates Ltd	(300,000.00)	(300,000.00)
Jiangsu Zhing Jin Environment	353,778.00	353,778.00
National Building Cons. Corp.	422,140.00	422,140.00
NTPC Ltd. Kobra	0.00	2,595,376.00
Paricha Thermail Power Project (Jhansi)	590,389.00	0.00
Praxair India Pvt. Ltd.	0.00	24,150.00
PT Asia Pacific , Indonesia	239,040.00	0.00
PT Indorama Synthetics	51,862.00	52,717.00
Reliance Industries Ltd., Ahmedabad	0.00	189,102.00
Rourkela Steel Plant	68,941.52	68,941.52
SCCL	5,500.00	5,500.00
Seagull Cooling Tech.	524,560.00	0.00
Shanghai Yusen Trading Co. Ltd.	51,956.13	51,956.13
The Fertilizers & Chemicals Travancore Ltd	0.00	34,233.00
Thermax SPX Energy Technologies Ltd.	6,956,558.00	101,850.00
Ultratech Cement Ltd (Gujrat)	0.00	401,469.00
Western Coal Fields Ltd.	0.00	49,164.00
Zoe International PTE Ltd., Singapore	(196,815.00)	(196,815.00)
<b>TOTAL</b>	<b>21,434,045.74</b>	<b>22,199,440.15</b>

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PARAG FANS AND COOLING SYSTEMS LIMITED  
NOTE 8 DEPRECIATION AS AT 31st March 2016

AS PER THE COMPANIES ACT, 2013

PARTICULARS	RATE OF DEPRECIATION (%)	USEFUL LIFE (NO. OF YEARS)	RESIDUAL VALUE	COST OF ASSETS			DEPRECIATION				W.D.V.	
				COST	SALES	TOTAL	UPTO DATE	FOR THE YEAR	REVERSAL	TOTAL DEPRECIATION	AS ON 31.03.2016	AS ON 31.03.2015
LAND	0.00%	0	0.00	457,983.00	0.00	457,983.00	0.00	0.00	0.00	0.00	457,983.00	457,983.00
SITE DEVELOPMENT	20.99%	9	40,394.75	807,895.00	0.00	807,895.00	471,376.43	70,635.25	0.00	542,011.68	265,883.32	336,518.57
BUILDING	14.29%	14	766,010.40	15,320,608.00	0.00	15,320,608.00	8,691,069.89	947,361.00	0.00	9,638,430.89	5,682,177.11	6,629,538.11
FURNITURE & FIXTURES	23.05%	3	79,377.90	1,591,558.00	0.00	1,591,558.00	1,416,875.79	40,264.25	0.00	1,457,140.04	134,417.96	174,882.21
OFFICE EQUIPMENTS	60.14%	1	112,021.55	2,240,431.00	0.00	2,240,431.00	1,959,367.58	169,031.54	0.00	2,128,399.12	112,031.88	281,063.42
ADD: ADDITIONS DURING 2014-15	45.07%	4	650.50	13,010.00	0.00	13,010.00	2,043.74	4,942.49	0.00	6,986.23	6,023.77	10,966.26
COMPUTER	84.45%	0	9,741.27	194,825.33	0.00	194,825.33	185,084.06	9,741.27	0.00	194,825.33	0.00	9,741.27
COMPUTER (PURCHASED IN FY 2014-15)	63.16%	2	290.00	5,800.00	0.00	5,800.00	398.53	3,411.57	0.00	3,810.10	1,989.90	5,401.47
PLANT & MACHINERY	18.11%	7	2,076,845.35	41,536,907.00	0.00	41,536,907.00	33,128,288.12	1,322,800.70	0.00	34,651,089.82	6,885,817.18	8,408,617.88
VEHICLE	35.38%	5	279,243.00	5,584,860.00	0.00	5,584,860.00	3,105,833.31	877,079.64	0.00	3,982,912.95	1,601,947.05	2,479,026.69
TOTAL (RS.)			3,364,794.72	67,753,877.33	0.00	67,753,877.33	48,960,338.46	3,644,267.70	0.00	52,605,606.17	15,148,271.17	18,793,538.87

Notes:

1) Depreciation has been provided on the value capitalized on the assets actually put to use during the current year, as per the Schedule II of the Companies Act 2013.

2) Depreciation is calculated on pro-rata basis from the date of acquisition and/or capitalization, as may be applicable. Assets costing individually Rs. 5,000/-

(Rupees Five Thousand only) or less are depreciated fully in the year of purchase

3) Fixed Assets are stated at their original cost of acquisition or construction less accumulated depreciation (except land) and subsequent improvements thereto.

Cost comprises of purchase price and all expenses directly attributable to the acquisition or construction of the asset.

4) Out of the total amount of Depreciation of Rs. 36,45,267.70/- amount of Rs. 3635526.43/- have been debited to Profit and loss account and

remaining amount of Rs. 9741.27 have been debited to reserves and surplus account as the useful life of asset is > 3 years.

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**Note 11 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Cash in Hand	300,846.00	51,862.00
<b>Bank Accounts</b>		
Bank Of India- 00024	0.00	5,633.89
HDFC Bank -975	3,039.05	40,922.01
HDFC Bank -9559	0.00	2,776.57
ICICI Bank - 0026	0.00	2,054.70
ICICI EEFC A/c - 0098	0.00	44,580.25
ICICI Bank Trade a/c - 02904	0.00	747.05
FDR-BOI	5,604,911.49	5,604,911.49
<b>TOTAL</b>	<b>5,908,796.54</b>	<b>5,753,487.96</b>

Note: Current accounts of HDFC Bank A/c No. 9559, ICICI Bank A/c No 0026, ICICI Bank EEFC A/c No.0098 ICICI Bank Trade A/c -02904 were not in operations during the year

**Note 12 : SHORT TERM LOANS AND ADVANCES**

Particulars	AS At 31.03.2016 (Rs.)	AS At 31.03.2015 (Rs.)
<b>Others</b>		
Accent Leasing and Finance	1,000,000.00	1,000,000.00
Ajay K Gupta	1,970,000.00	1,970,000.00
Alpic Finance Co./	90,000.00	90,000.00
Ammc Shipping Pvt. Ltd.	500,000.00	500,000.00
Arun Kumar Pal Exp. A/c	70.00	0.00
Ashok Chouhan TA A/c	(1,265.00)	5,850.00
Calclus Securities	900,750.00	900,750.00
Champalal Malviya TA DA	(1,365.00)	0.00
Devilal Malviya TA A/c	20,470.00	3,375.00
G.S.Karandikar	451,179.00	451,179.00
Global Enterprises	0.00	6,440.00
J.V.Modi Securities Pvt. Ltd.	1,000,000.00	1,000,000.00
Jantech Traders Pvt.Ltd.	573,813.00	573,813.00
Kalu Singh Exp. A/C	330.00	184.00
Kalu Singh Ta A/C	34.00	34.00
Kuiya Enterprises	1,910,000.00	1,910,000.00
Merathan Marketing	2,600,000.00	2,600,000.00
Pacific Communication	741,999.00	741,999.00
Pacific Industrial Trading	4,651,020.00	4,651,020.00
Parkson Holding Pvt. Ltd.	1,000,000.00	1,000,000.00
Parvez Khan Expenses A/c	(265.00)	0.00
Pithampur Bombay Roadways	(10,810.00)	0.00
Rajendra Chawda Ta Da	4,208.00	4,591.00
Rajesh Soni	1,602,000.00	1,602,000.00
Ranjeet singh Exp. A/c	800.00	0.00
S.K.Finance	300,000.00	300,000.00
Sachin Sharma Adv A/C	2,271.00	1,177.00
Shree Ram Securities	3,500,000.00	3,500,000.00
Sudhir Gawai Ta Da A/C	(66.00)	1,052.00
Veekay Enterprises	170,000.00	170,000.00
Ventech Engineers	41,810.00	41,810.00
Vikas Jadhav Adv A/c	0.00	1,900.00
Vinayak Leasing & Finance	300,000.00	300,000.00
<b>Total</b>	<b>23,316,983.00</b>	<b>23,327,174.00</b>
<b>Less: Loans and Advances Written off</b>	<b>(23,316,983.00)</b>	<b>(16,017,000.00)</b>
<b>TOTAL</b>	<b>0.00</b>	<b>7,310,174.00</b>

Note: During the year the company has written off the loans and advances amounting to Rs.72,99,983 (Rs.2,33,16,983 (-) Rs. 1,60,17,000) being not recoverable

**Note 13 : OTHER CURRENT ASSETS**

Particulars	AS At 31.03.2016 (Rs.)	AS At 31.03.2015 (Rs.)
TDS Receivables	411,568.30	305,248.80
Sales tax appeal	743,815.00	693,970.00
Pankaj Bhargava Compensation Account	1,808,434.00	5,108,434.00
Accrued Interest on FDR	196,403.67	126,507.67
Service Tax receivable	21,375.00	10,875.00
Krishi Kalyan Cess	375.00	0.00
<b>TOTAL</b>	<b>3,181,970.97</b>	<b>6,245,035.47</b>

Note: The management has decided to write off the balance of Mr. Pankaj Bhargava by Rs. 33.00 Lacs being balance pending for more than 3 years

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

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>SALES</b>		
Export Sales	15,122,202.99	10,576,442.00
SEZ Sales	3,483,000.00	1,174,505.00
Sales Within India	31,142,477.00	38,100,960.00
Packing and forwarding Charges	189,079.00	90,880.00
Installation Charges Received	0.00	82,000.00
Sales return (Out of the Sales made in F.Y. 2013-14)*	0.00	(32,501,778.00)
<b>TOTAL</b>	<b>49,936,758.99</b>	<b>17,523,009.00</b>

**Note 15 : OTHER INCOME**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Freight Charges Recovered	0.00	1,452,500.00
Dividend from shares of BOI	2,000.00	0.00
Interest Received from MPSEB	2,455.22	3,798.78
Interest on Fixed Deposits	466,142.00	495,790.44
Technical Consultancy Fees	611,449.00	0.00
Foreign Exchange Diff.	353,328.73	112,043.60
Rounf Off	(2,306.45)	(0.29)
<b>TOTAL</b>	<b>1,433,068.50</b>	<b>2,064,132.53</b>

**Note 16 : RAW MATERIALS CONSUMED**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Opening Stock of Raw Materials	16,911,461.30	1,239,209.00
Add: Purchases	20,457,002.53	25,533,538.00
Add: Goods Returned	0.00	0.00
Less: Closing Stock	26,526,332.82	16,911,461.30
<b>Raw Materials Consumed</b>	<b>10,842,131.01</b>	<b>9,861,285.70</b>
<b>Add: Direct Exp</b>		
Freight Charges Paid	2,246,792.00	3,194,381.00
Entry Tax Exp A/c	145,343.00	251,085.00
CST paid on Purchase	287,441.47	432,034.00
<b>TOTAL</b>	<b>13,521,707.48</b>	<b>13,738,785.70</b>

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

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Opening stock of Finished Goods & WIP	36,439,778.00	631,722.00
Less: Closing Stock of Finished Goods and WIP	44,358,315.18	36,439,778.00
<b>Changes in Inventory</b>	<b>(7,918,537.18)</b>	<b>(35,808,056.00)</b>
<b>TOTAL</b>	<b>(7,918,537.18)</b>	<b>(35,808,056.00)</b>

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**Note 18 : EMPLOYEE BENEFIT EXPENSES**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Directors Remunerations	2,600,000.00	2,315,848.00
Salary Office Staff	1,869,002.00	2,017,154.00
P.F. Employer Contribution 12%	572,326.00	511,995.00
Staff Welfare	110,933.00	154,929.00
Wages & Labour Charges	2,544,238.00	2,311,051.00
Over time	224,090.00	205,055.00
E.S.I.C Contribution A/c	124,159.00	120,445.00
Director's Sitting Fees	24,000.00	24,000.00
<b>TOTAL</b>	<b>8,068,748.00</b>	<b>7,660,477.00</b>

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

Sr. No.	Name of Related parties	Relationship	Amount	Nature of Payment
1	Mr.Sandeep Badjatia	Director	1,500,000.00	Remuneration
2	Mr.Umesh Nambiar	Director	550,000.00	Remuneration
3	Mr.Deepak Pagnis	Director	550,000.00	Remuneration
4	Mr. Vijay Singh Bharkatiya	Director	12,000.00	Sitting Fees
5	Mr. Mukesh Kumar Jhwar	Director	12,000.00	Sitting Fees
6	Mr. Raunag Badjatia	Director's son	500,000.00	Salary

**Note 19 : FINANCE COSTS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Bank Commission & Charges	1,668,923.16	643,779.06
Foreign Bank Charges on Realization	54,988.60	8,410.00
Interest on Car loan	243,355.00	342,320.00
Interest On CC Account	4,385,171.00	6,357,561.00
Interest Paid(NSIC)	1,301,591.00	688,731.00
Interest to Others	51,581.00	7,020.17
Interest on EPC	1,159,052.00	0.00
Processing Fees of NSIC	113,409.00	0.00
<b>TOTAL</b>	<b>8,978,070.76</b>	<b>8,047,821.23</b>

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**Note 20 : OTHER EXPENSES**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Audit Expenses	3,000.00	0.00
Audit Fees	75,000.00	75,000.00
Commission Exp	258,100.00	21,375.00
Computer Maintenance	66,107.00	63,429.00
Conveyance Expense	54,518.00	55,908.00
Discount on sales	106,000.00	241,212.00
Electricity Charges	277,354.22	220,262.78
Factory Expenses	1,687,066.00	1,351,337.00
Foreign Exchange Difference A/c	210,511.00	64,008.00
Inspection/Installation Charges	309,000.00	0.00
Insurance Charges	88,214.00	163,899.00
Interest on Entry Tax	3,759.00	0.00
Interest on Excise Tax	11,442.00	0.00
Interest on Sales Tax	1,777.00	9,395.00
Interest on Service Tax	2,563.00	0.00
Interest on TDS	0.00	265,326.00
Jobwork Contract Charges	1,189,672.00	10,625,321.00
Legal & Professional Charges	1,026,835.00	663,611.00
Loading Charges	2,500.00	16,600.00
Medical Expenses	27,687.00	2,179.00
Membership & Subscription	124,998.00	92,532.00
Miscellaneous Exp	3,060.00	10,000.00
Plant & Machinery Maintenance	0.00	105,000.00
Pooja Expenses	100.00	2,265.00
Postage & Courier	47,854.00	56,423.00
Printing & Stationary	43,443.00	46,630.00
Rent,Rates and Taxes	360,000.00	360,000.00
Repairs & Maintenance	29,160.00	113,385.00
Sale Tax Exp	0.00	0.00
Sales Promotion	5,323,312.17	1,340,651.00
Security Expenses	449,454.00	406,199.00
Stock Exchange Fees	0.00	15,000.00
Surcharge For Late Payment	1,728.16	368.32
Telephone Expenses	198,082.25	198,824.32
Testing Charges	0.00	4,060.00
Travelling Expenses	1,175,372.00	3,577,300.41
Vehicle Running & Maintenance (4 Wheeler)	195,460.00	271,323.00
Water Charges	33,599.00	15,270.00
Swachh Bharat Cess	375.00	0.00
<b>TOTAL</b>	<b>13,387,102.80</b>	<b>20,454,093.83</b>

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

Sr. No.	Name of Related parties	Relationship	Amount	Nature of Payment
1	Impact Cooling Solutions LLC, USA	Sister Concern	4,210,176.17	Sales Promotion

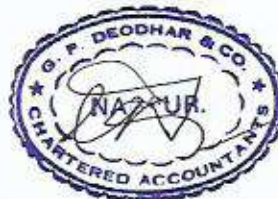
**Note 21 : EXTRAORDINARY ITEMS**

Particulars	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
Accounts Written Off	10,630,504.50	6,555.76
Accounts Written Back	(413,001.06)	(2,563.00)
<b>Prior Period Expenditure</b>		
Bonus	337,025.00	231,460.00
Sales Tax Paid ( For F.Y. 2011-12)	32,656.00	122,060.00
Service Tax	88,478.00	83,754.00
Arrear 2014-15	270,568.00	0.00
PF Damages	190,630.00	0.00
Excise duty (10-11 and 11-12)	0.00	0.00
<b>TOTAL</b>	<b>11,136,860.44</b>	<b>441,266.76</b>

Note: During the year the company has written off the loans and advances amounting to Rs.72,99,983 being not recoverable  
The management has decided to write off the balance of Mr. Pankaj Bhargava by Rs. 33.00 Laacs being balance pending for more than 3 years

*Amey*

*Amey*



**PARAG FANS & COOLING SYSTEMS LIMITED**

**NOTE FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2016**

**NOTE :-22**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

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



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

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

Sr. No.	Name of the Related Parties	Nature of Relationship	Nature of Transaction
1	Sandeep Badjatia	Director	Remuneration
2	Umesh Nambiar	Director	Remuneration
3	Deepak Pagnis	Director	Remuneration
4	Vijay Singh Bharkatiya	Director	Sitting Fees
5	Mukesh Kumar Jhawar	Director	Sitting Fees
6	Impact Fans and Cooling Systems Limited	Sister Concern	Sale of Finished Goods
7	Impact Fans and Cooling Systems Limited	Sister Concern	Advance from Debtors
8	Impact Projects and Consultants Private Limited	Sister Concern	Sale of Finished Goods
9	Impact Projects and Consultants Private Limited	Sister Concern	Unsecured Loans received
10	Raunaq Badjatia	Directors Son	Salary
11	Impact Cooling solutions LLC, USA	Sister Concern	Sales Promotion Exp

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

12) As per Memorandum of Understanding dated 01/05/2016 between Parag Fans and cooling Systems Limited and Mr.Vimal Sodhani and EPCO regarding the arbitration claim filed no. 20/2007 and winding up petitions nos. 12/2002, 13/2002 and 14/2002, company appeals no. 1/2015, 2/2015,3/2015 before the high court Indore and arbitration appeals no. 06/2015 before the ADJ Dewas District court, The company has to pay Rs. 2,25,00,000/- as full and final settlement as against the claims which was filed by Mr. Vimal Sodhani. Out of the total amount of Rs. 2,25,00,000/- the company has paid Rs.50 Lacs on 01/05/2016 and remaining amount is payable in 14 equal monthly Installments of Rs. 12,50,000/- each. Out of the remaining amount payable, the company will have to pay Rs. 1,25,00,000/- (Rs. 12,50,000/- per month for 10 Months in financial year 2016-17 starting from (june 2016 to March 2017). Hence the amount of Rs.1,64,74,305.25 payable as on 31/03/2016 has been transferred to current liability during current financial year. The details of the same are as follows:

Name of Party	Balance as on 31/03/2016 which was transferred to current liability (In Rs.)
Vimal Sodhani (Share Application Money)	50,00,000/-
Vimal Sodhani (Unsecured Loan)	10,04,739/-
EPCO Loan	1,04,69,566.55
Total	1,64,74,305.25

*Umesh*

*Vijay*



13) As per the resolution dated 23-02-2016 the management has decided to write off the loans and advances amounting to Rs.72,99,983.00 and the balance of Mr. Pankaj Bhargava by Rs. 33,00,000/-

14) Calculation of Deferred Tax

Particulars	Amount for the F.Y.2015-16
Depreciation as per Companies act 2013 (A)	36,35,526.00
Depreciation as per Income Tax Act 1961 (B)	16,25,678.00
Difference (A-B)	20,09,848.00
Deferred Tax Asset (@30.90%)	6,21,043.00

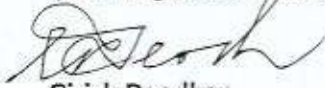
The company has provided for deferred tax asset and has been adjusted against the opening deferred tax liability.

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

In terms of our audit report of even date annexed.

for G. P. Deodhar & Co.

Chartered Accountants  
(Firm Registration No. 102264W)



Girish Deodhar  
Partner  
M. No. 037101



Place : Nagpur  
Date : 30/05/2016

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



Sandeep Badjatia  
Director  
DIN: 00979809



Umesh Nambiar  
Director  
DIN: 02566355

Place: Dewas  
Date: 30/05/2016