



PARAG
FANS & COOLING
SYSTEMS LTD.

PARAG FANS AND COOLING SYSTEMS LIMITED

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

CIN: U51102MP1991PLC006760

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of the company shall be held on Saturday the 19th August, 2017 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 31.03.2017 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. Surendra kumar Badjatia (holding DIN 07501398), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider ratification of appointment of Auditor 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 appoint M/s 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 next sixth AGM of the Company to be held in the year 2022 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 Auditor.”

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 160 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Surendra Kumar Badjatiya (DIN -07501398), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th January 2017, in terms of the provisions of Section 161 of the Companies Act, 2013 whose term of office is upto the ensuing Annual General Meeting and in respect of whom the Company has received

Regd. Office and Works:

Plot no. 1/2B & 1B/3A, Industrial Area No. 1, A. B. Road, Dewas-455 001 (M.P.)India,
Ph: ++91-7272-425100, 425102 Fax: ++91-7272-400273

a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company .”

“RESOLVED FURTHER THAT Mr. Deepak Pagnis Whole Time Director of the Company is be and hereby authorized to file necessary forms required to be filed as per the provision of Companies Act 2013 with Registrar of Companies, Gwalior and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Rukmani Badjatiya (DIN-07501462), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th January 2017, in terms of the provisions of Section 161 of the Companies Act, 2013 whose term of office is upto the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT Mr. Deepak Pagnis Whole Time Director of the Company is be and hereby authorized to file necessary forms required to be filed as per the provision of Companies Act 2013 with Registrar of Companies, Gwalior and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013 Mr. Mukesh Kumar Jhavar (DIN: 00527049) who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 2022.”

“RESOLVED FURTHER THAT Mr. Deepak Pagnis Whole Time Director of the Company is be and hereby authorized to file necessary forms required to be filed as per the provision of Companies Act 2013 with Registrar of Companies, Gwalior and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

Regd. Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 30th May, 2017

By Order of the Board

SD/-
(SANDEEP BADJATIA)
Managing Director
DIN: 00979809

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, 14th August, 2017 to Sunday, 19th August, 2017 (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 the Sec.152 of Companies Act 2013.
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

| | |
|---|------------------------------|
| Name of Director | Mr. Surendra Kumar Badjatiya |
| Age | 75 |
| Qualification | |
| Date of Appointment | 18.01.2017 |
| Expertise | |
| Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2017 | 1 |
| Chairman /Members of the Committees As on 31st March, 2017 | |

| | |
|---|-----------------------|
| Name of Director | Mrs.Rukmani Badjatiya |
| Age | 73 |
| Qualification | |
| Date of Appointment | 18.01.2017 |
| Expertise | |
| Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2017 | 0 |
| Chairman /Members of the Committees As on 31st March, 2017 | |

| | |
|---|-------------------------|
| Name of Director | Mr. Mukesh Kumar Jhawar |
| Age | 48 |
| Qualification | |
| Date of Appointment | 01.04.2017 |
| Expertise | |
| Other Directorships (Excluding Pvt. Companies) as on 31 st March, 2017 | 4 |
| Chairman /Members of the Committees As on 31st March, 2017 | |

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

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4, 5, & 6 of the accompanying Notice

ITEM NO. 4

Mr. Surendra kumar Badjatia (DIN - 07501398) was appointed as an Additional Director by the Board of Directors with effect from 18/01/2017 in terms of the provisions of the companies Act 2013, he holds office till the conclusion of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member proposing the candidature of Mr. Surendra kumar Badjatia (DIN - 07501398) for the office of Director of the Company.

Mr. Surendra kumar Badjatia (DIN - 07501398) is not disqualified from being appointed as a Director in terms of Section 160 of the Act and has given his consent to act as a Director, Mr. Surendra kumar Badjatia (DIN - 07501398) fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and the Board recommends the ordinary resolutions set out at item No 4 of the Notice for the approval by the Members.

Memorandum of Interest:

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

ITEM NO. 5

Mrs. Rukmini Badjatia (DIN - 07501462) was appointed as an Additional Director by the Board of Directors with effect from 18/01/2017 in terms of the provisions of the companies Act 2013, She holds office till the conclusion of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member proposing the candidature of Mrs. Rukmini Badjatia for the office of Director of the Company.

Mrs. Rukmini Badjatia (DIN - 07501462) is not disqualified from being appointed as a Director in terms of Section 160 of the Act and has given her consent to act as a Director, Mrs. Rukmini Badjatia (DIN - 07501462) fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and the Board recommends the ordinary resolutions set out at item No.5 of the Notice for the approval by the Members.

Memorandum of Interest:

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

ITEM NO. 6

Mr. Mukesh Kumar Jhawar (DIN: 00527049) being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 2022. A notice has been received from a member proposing Mr. Mukesh Kumar Jhawar (DIN: 00527049) as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. Mukesh Kumar Jhawar (DIN: 00527049) fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mukesh Kumar Jhawar (DIN: 00527049) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mukesh Kumar Jhawar (DIN:00527049) as an Independent Director, for the approval by the shareholders of the Company.

Mr. Mukesh Kumar Jhawar (DIN:00527049) does not hold any shares in the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The directors recommend the aforesaid resolution for the approval by the members as a Ordinary resolution.

Regd. Office:

**Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 30th May, 2017**

By Order of the Board

**SD/-
(SANDEEP BADJATIA)
Managing Director
DIN: 00979809**

Director's Report

To,
The Members,

Your directors have pleasure in presenting their Twenty Sixth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

1. Financial Highlights:

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

| Particulars | (In Rupees) | |
|---|---|---|
| | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
| Total Income | 7,50,90,243.81 | 5,13,69,827.49 |
| Total Expenditure | 7,75,74,174.03 | 4,00,09,643.29 |
| Profit/(Loss) before Exceptional and extra ordinary item and taxation | (24,83,930.22) | 1,13,60,184.20 |
| Extra ordinary item | 36,56,035.0 | 1,07,99,835.44 |
| Profit Before tax | 1,172,104.78 | 5,60,348.76 |
| Less: Tax Expense: | 2,53,060.00 | 0.00 |
| Deferred Tax Assets | 3,82,086.00 | 621,043.00 |
| Profit/(Loss) after tax | 13,01,130.78 | 1,181,391.76 |

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. 7,43,27,008.00 (previous year 4,99,36,758.99) and a Net Profit of Rs. 13,01,130.78 (previous year 1,181,391.76). The directors are focusing upon the expansion of the market of the company's product globally and has set focus on acquiring new global clients. Your directors look forward for better working results in the years to come.

4. Transfer to Reserve and Surplus:

The amount of surplus of Profit and Loss account of Rs. 13,01,130.78 has been transferred to Reserves and Surplus in the Balance Sheet.

5. Changes in Share Capital, If Any:

During the Financial Year 2016-17, 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:

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. Adequate disclosure regarding the same has been given the financial statements.

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. Surendra Kumar Bdjatiya, 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.

Your Directors further informed you that Mr. Surendra Kumar Badjatiya having DIN- 07501398 and Mrs. Rukmani Badjatiya having DIN-07501462 have been appointed as additional Director of the company w.e.f. 18th January 2017 and Mr. Anmol sandeep badjatiya has been ceased from the post of the director of the company w.e.f. 27th January 2017 and Ms. Ruchi Jaiswal has been resigned from the post of Company secretary as well as compliance officer of the company.

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 Director.

15. Auditors' and their Report:

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

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

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

a) Technology Absorption: Nil

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

b) Foreign Exchange Earnings/ Outgo:

| | |
|----------|------------------|
| Earnings | 3,41,66,070 INR |
| Outgo | 24,89,361.24 INR |

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

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

19. Details of Directors and Key Managerial Personnel

The Board consists of the following directors namely:-

| DIN NO | NAME | DESIGNATION | DATE OF APPOINTMENT | DATE OF CESSATION |
|------------|-----------------------------|------------------------|---------------------|-------------------|
| 00979809 | Mr. Sandeep Badjatia | Managing Director | 10.12.2008 | |
| 02566355 | Mr. Umesh Nambiar | Whole Time Director | 04.02.2009 | |
| 02566436 | Mr. Deepak Pagnis | Whole Time Director | 04.02.2009 | |
| 00979837 | Mrs. Anmol Badjatia | Non Executive Director | 30.09.2014 | 27/01/2017 |
| 00017285 | Mr. Vijai Singh Bharkatiya | Non Executive Director | 06.12.2012 | |
| 00527049 | Mr. Mukesh Kumar Jhavar | Non Executive Director | 01/04/2017 | |
| 07501398 | Mr. Surendra Kumar Badjatia | Additional Director | 18.01.2017 | |
| 07501462 | Rukmini Badjatia | Additional Director | 18.01.2017 | |
| ACQPT4590E | Mr. Gajendra Takwale | CFO | 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, 2017 which may affect the financial position of the Company.

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

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

24. Deposits:

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

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

26. Board Independence:

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

27. 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 till the conclusion of 26th AGM. G.P Deodhar & Co. being retiring Auditor being eligible offer himself for re-appointment for a further period of five years from the conclusion of this AGM till the conclusion of 31st AGM of the Company. at such remuneration in addition to reimbursement of out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

28. Cost Auditors: NA

29. Secretarial Auditor & Secretarial Audit Report: NA

30. Corporate Social Responsibility (CSR) Policy: NA

31. Corporate Governance:NA

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 as follows:

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, 2017

| S.No | Name | Designation | Position in Committee |
|-------------|------------------------------|--------------------|------------------------------|
| 1. | Mr. Vijay Singh Bharaktiya | Director | Chairman |
| 2. | Mr. Umesh Nambiar | Director | Member |
| 3. | Mr. Surendra kumar Badjatiya | Director | Member |

During the financial year 2016-17, there was total 4 meeting of the audit committee of the Company. Details regarding the date, venue, strength of the audit committee present at the respective meetings are as under:

| Date of the Meetings | Place of meetings | Total Strength of the Board | No. of Directors present |
|-----------------------------|--------------------------|------------------------------------|---------------------------------|
| 30.05.2016 | Dewas | 3 | 3 |
| 02.08.2016 | Dewas | 3 | 3 |

| | | | |
|------------|-------|---|---|
| 05.11.2016 | Dewas | 3 | 3 |
| 27.01.2017 | Dewas | 3 | 3 |

33. Nomination & 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 31st March 2017

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

During the financial year 2016-17, 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 |
|----------------------|-------------------|-----------------------------|--------------------------|
| 05.04.2016 | Dewas | 3 | 3 |

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 2016-2017, pursuant to the provision of Section 177 of the Companies Act, 2013 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. Managerial Remuneration:

During the year 2016-17 your company has paid remuneration to the following Directors

| S.No. | Name | Designation | Amount |
|-------|------------------|--------------------|-----------|
| 1. | Sandeep Badjatia | Managing Director | 13,20,000 |
| 2. | Umesh Nambiar | Wholetime Director | 5,80,516 |
| 3. | Deepak Pagnis | Wholetime Director | 5,80,516 |

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

During the Year 2016-17 no cases relating to the Sexual Harassment of Woman at Workplace were noted.

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

39. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) in relation to the audited financial statements of the Company for the year ended 31st March, 2017 of the Companies Act, 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 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.

40. 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.

41. Acknowledgment:

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

Place: Dewas
Date: 30.05.2017

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

**SD/-
SANDEEP BADJATIA
MANAGING DIRECTOR
DIN: 00979809**

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

ANNEXURE- I**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31 March, 2017**

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

I. REGISTRATION AND OTHER DETAILS:

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

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

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

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

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

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

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01 st April 2016) | | | | No. of Shares held at the end of the year (As on 31 st March 2017) | | | | % Change during the year |
|--------------------------|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters. | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0.00 | 1247799 | 1247799 | 35.74 | 0.00 | 1247799 | 1247799 | 35.74 | 0.00 |
| b) Central Govt. | 0.00 | 0.00 | 0.00 | 00.00 | 0.00 | .0.00 | 0.00 | 0.00 | 0.00 |
| c) State Govt.(s) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| d) Bodies Corp. | 0.00 | 665971 | 665971 | 19.08 | 0.00 | 665971 | 665971 | 19.08 | 0.00 |

| | | | | | | | | | |
|---|-------------|----------------|----------------|--------------|-------------|----------------|----------------|--------------|-------------|
| e) Bank/FI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| f) Any Other... | | | | | | | | | |
| Total Shareholding of Promoter (A) | 0.00 | 1913770 | 1913770 | 54.82 | 0.00 | 1913770 | 1913770 | 54.82 | 0.00 |
| B. Public share holding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Bank/ FI | 0.00 | 109300 | 109300 | 3.13 | 0.00 | 109300 | 109300 | 3.13 | 0.00 |
| c) Central Govt.(s) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| d) State Govt.(s) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| e) Venture Capital Fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| f) Insurance Companies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| g) FIs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| h) Foreign Venture capital Funds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| i) Others (Specify) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub-Total (B) (1):- | 0.00 | 109300 | 109300 | 3.13 | 0.00 | 109300 | 109300 | 3.13 | 0.00 |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | 0.00 | 292200 | 292200 | 8.37 | 0.00 | 295000 | 295000 | 8.45 | 0.08 |
| i) Indian | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Overseas | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) Individuals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| i) Individual Shareholders holding nominal share capital upto Rs. 2 lakh | 0.00 | 139920 | 139920 | 4.01 | 0.00 | 137120 | 137120 | 3.93 | 0.08 |
| ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh | 0.00 | 196760 | 196760 | 5.64 | 0.00 | 196760 | 196760 | 5.64 | 0.00 |

| | | | | | | | | | |
|--|-------------|----------------|----------------|--------------|-------------|----------------|----------------|--------------|-------------|
| c) Others (specify) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Non Resident Indians & OCB | 0.00 | 839250 | 839250 | 24.04 | 0.00 | 839250 | 839250 | 24.04 | 0.00 |
| Foreign Nationals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Clearing Members | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Trust | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Foreign Bodies-D R | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sub Total (B)(2):- | 0.00 | 1468130 | 1468130 | 42.05 | 0.00 | 1468130 | 1468130 | 42.05 | 0.00 |
| Total Public shareholding(B) = (B)(1)+(B)(2) | 0.00 | 1577430 | 1577430 | 45.18 | 0.00 | 1577430 | 1577430 | 45.18 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 0.00 | 3491200 | 3491200 | 100 | 0.00 | 3491200 | 3491200 | 100 | 0.00 |

(B) Shareholding of Promoters

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

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

| S. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 0 | 0 | 0 | 0 |

| | | | | | |
|--|--|---|---|---|---|
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | 0 | 0 | 0 | 0 |
| | At the End of the year | 0 | 0 | 0 | 0 |

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

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

(E) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-----------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | | Mr. Sandeep Badjatiya | | | |
| | At the beginning of the year | 1247799 | 35.74 | 1247799 | 35.74 |
| | Date wise Increase / | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | |
|--|---|---------|-------|---------|-------|
| | Decrease in 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 | 1247799 | 35.74 | 1247799 | 35.74 |

V. INDEBTEDNESS:

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-------------------------|----------|-------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 5,11,40,171.24 | 51,56,284.00 | - | 56,296,455.24 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 5,11,40,171.24 | 51,56,284.00 | - | 56,296,455.24 |
| Change in Indebtedness during the financial year | | | | |
| · Addition | - | - | - | - |
| · Reduction | (1073782.21) | (4,20,64,105.47) | - | (8,70,16,483.23) |
| Net Change | (1073782.21) | (4,20,64,105.47) | - | (8,70,16,483.23) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 5,00,66,389.03 | 4,72,20,389.47 | - | 9,72,86,778.5 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 5,00,66,389.03 | 4,72,20,389.47 | - | 9,72,86,778.5 |

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 | Umesh | Deepak | |
| | | | | | |

| | | Badjatia | Nambiar | Pagnis | | |
|----|---|--------------|-------------|-------------|--|--------------|
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13,20,000.00 | 5,80,516.00 | 5,80,516.00 | | 24,81,032.00 |
| | (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) | 13,20,000.00 | 5,80,516.00 | 5,80,516.00 | | 24,81,032.00 |
| | Ceiling as per the Act | | | | | |

B. Remuneration to other directors:

| Sl. no. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|---------------------------|---|--|--|--------------|
| | 1. Independent Directors | Vijay Singh Bharaktiya | | | | |
| | · Fee for attending board / committee meetings | 12000 | | | | 12000 |
| | · 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 | - | 198000 | 387652 | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2. | Stock option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission - as % of profit - others, specify... | - | - | - | - |
| 5. | Others, please specify | - | - | -- | - |
| | Total | - | - | - | - |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

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

Place: Dewas
Date: 30.05.2017

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

SD/-
SANDEEP BADJATIA
MANAGING DIRECTOR
DIN: 00979809

SD/-
UMESH NAMBIAR
WHOLE TIME DIRECTOR
DIN: 02566355

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

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

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

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

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

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Name (s) of the related party & nature of relationship | Nature of contracts/arrangements/transaction | Duration of the contracts/arrangements/transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board | Amount |
|---------|--|--|--|---|-------------------------------|--------------|
| 1. | Impact Cooling Solutions LLC (Sister Concern) | Sales | | | | 53,66,249.93 |
| 2. | Impact Projects & Consultants Pvt. Ltd | Sales | | | | 7,55,813.00 |
| 3. | Impact Fans and cooling Systems Limited | Sales | | | | 3,11,51,926 |

Place: Dewas

Date: 30.05.2017

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

**SD/-
SANDEEP BADJATIA
MANAGING DIRECTOR
DIN: 00979809**

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

ANNEXURE-III

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

(i) Industry structure and developments:

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

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

(ii) Concerns:

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

(iii) Outlook:

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

(iv) Internal Control Systems and their adequacy:

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

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

(v) Human relations:

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

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

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

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

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: 30.05.2017**

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

AUDITED FINANCIAL STATEMENTS
OF
PARAG FANS AND COOLING SYSTEMS
LTD
FOR THE YEAR ENDED ON
31ST MARCH 2017

AUDITORS
M/S G.P.DEODHAR& CO.
CHARTERED ACCOUNTANTS
105&106, CRYSTAL PLAZA,
276, CENTRAL BAZAR ROAD,
RAMDASPETH, NAGPUR

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 31st March 2017 and the Statement of Profit and Loss & Cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

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

Auditor's Responsibility

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

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.

4



Opinion

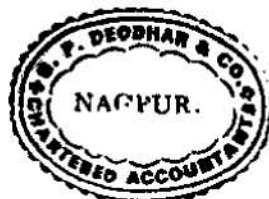
In our opinion and to the best of our information and according to the explanations given to us and read with the Significant Accounting Policies and the notes to accounts, the said accounts give the information required by the Act in the manner so required and give a true & fair view in conformity with 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 31st March 2017; 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.

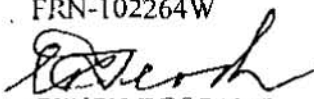
Report on Other Legal and Regulatory Requirements

- 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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.
 - d) As per the representation provided by the management, the Company had not deposited specified bank notes in the bank account mentioned in financial statements during the period from November 8, 2016 to December 30, 2016 hence the provision related to disclosures in financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance is not applicable to the company

PLACE: NAGPUR
DATE: 30/05/2017



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 31/03/2017 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 01/04/2016 | Balance Amount as on 31/03/2017 | Nature |
|--|-------------------|-------------------------------------|---------------------------------------|----------------|
| Sandeep Badjatia | Director | 50,00,000.00 | 1,97,00,000.00 | Unsecured Loan |
| Impact Projects and Consultants Private Limited | Sister Concern | 1,56,284.00 | 15,05,812.52 | Unsecured Loan |
| Impact Fans and Cooling Systems Limited | Sister Concern | 0.00 | 2,60,14,576.95 | 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 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 31.03.2017 for a period of more than six months from the date they became payable the details of which are as follows:

| Particulars | Amount (Liability for the period 01/04/2016 to 30/09/2016 which is outstanding as on 31/03/2017) |
|-------------------|--|
| Provident Fund | 2,76,812.00 |
| Profession Tax | 96,318.00 |
| TDS Payable | 62,086.00 |
| Sales tax Payable | 1,43,754.00 |

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 | 2,35,436/- | Financial Year 2013-14 |
| Entry Tax | Entry Tax | 52,599/- | Financial Year 2013-14 |
| MP VAT | VAT | 1,74,688/- | Financial Year 2013-14 |
| MP VAT | VAT | 2,315/- | Financial Year 2012-13 |
| MP VAT | Entry tax | 2,020/- | Financial Year 2012-13 |
| Central Sales Tax | CST | 3,40,781/- | Financial Year 2014-15 |
| 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 |
| Income Tax, 1961 | Income Tax | 1,15,70,600/- | Financial Year 2012-13 |

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



13. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and hence the requirements of section 42 of the companies act, 2013 need not be complied with.
15. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, 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: 30/05/2017



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, 2017 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.



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, 2017, 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:30/05/2017



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 2017

| | PARTICULARS | Note No. | AS AT 31st MARCH, 2017 (In Rs.) | AS AT 31st MARCH, 2016 (In Rs.) |
|----------|---|----------|------------------------------------|------------------------------------|
| A | <u>EQUITY AND LIABILITIES</u> | | | |
| 1 | Shareholder's Fund | | | |
| | (a) Share Capital | 1 | 3,49,12,000.00 | 3,49,12,000.00 |
| | (b) Reserve & Surplus | 2 | (2,17,18,474.48) | (2,29,07,573.38) |
| 2 | Share Application Money Pending Allotment | | - | - |
| 3 | Non Current Liabilities | | | |
| | (a) Long Term Borrowings | 3 | 4,72,20,389.47 | 63,26,539.24 |
| | (b) Deferred Tax Liability | | 47,52,237.69 | 51,34,323.69 |
| 4 | Current Liabilities | | | |
| | (a) Short-term borrowings | 4 | 5,00,66,389.03 | 4,99,69,916.00 |
| | (b) Trade payables | 5 | 2,32,04,026.87 | 1,74,68,617.57 |
| | (c) Other current liabilities | 6 | 44,91,045.82 | 2,96,32,155.17 |
| | (d) Short-term provisions | 7 | 35,37,214.29 | 29,89,208.93 |
| | TOTAL | | 14,64,64,828.69 | 12,35,25,187.22 |
| B | <u>ASSETS</u> | | | |
| 1 | Non-Current Assets | | | |
| | (a) Fixed Assets | | | |
| | i) Tangible Assets | 8 | 1,23,19,701.84 | 1,51,48,271.17 |
| | ii) Intangible Assets | | - | - |
| | iii) Capital Work In Progress | | 68,99,607.00 | 68,99,607.00 |
| | iv) Intangible Assets under Development | | - | - |
| | (b) Non Current Investments | 9 | 80,300.00 | 80,300.00 |
| | (c) Other Non Current Assets | | 18,08,434.00 | - |
| 2 | Current Assets | | | |
| | (a) Inventories | | 6,25,62,009.00 | 7,08,84,648.00 |
| | (b) Trade receivables | 10 | 5,56,53,784.12 | 2,14,34,045.74 |
| | (c) Cash and cash equivalents | 11 | 56,53,573.18 | 59,08,796.54 |
| | (d) Short-term loans and advances | 12 | - | - |
| | (e) Other current assets | 13 | 14,87,419.55 | 31,69,518.77 |
| | Significant Accounting Policies & Notes to Accounts | 22 | | |
| | TOTAL | | 14,64,64,828.69 | 12,35,25,187.22 |
| | 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 : 30/05/2017

Place : Nagpur
Date : 30/05/2017

PARAG FANS AND COOLING SYSTEMS LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

| | PARTICULARS | Note No. | For the year ended | For the year ended |
|----------|--|----------|-----------------------|-----------------------|
| | | | 31 March, 2017 | 31 March, 2016 |
| | | | (In Rs.) | (In Rs.) |
| A | CONTINUING OPERATIONS | | | |
| 1 | Revenue from operations (Exclusive of Taxes) | 14 | 7,43,27,008.00 | 4,99,36,758.99 |
| | Less: Sales Returns | | 0.00 | 0.00 |
| | Net sales | | 7,43,27,008.00 | 4,99,36,758.99 |
| 2 | Other income | 15 | 7,63,235.81 | 14,33,068.50 |
| 3 | Total revenue | | 7,50,90,243.81 | 5,13,69,827.49 |
| 4 | EXPENDITURE | | | |
| | Raw Material Consumed | 16 | 2,98,82,858.82 | 1,35,21,707.48 |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | 17 | 68,26,309.18 | (79,18,537.18) |
| | Employee benefits expense | 18 | 1,09,32,927.00 | 80,68,748.00 |
| | Finance costs | 19 | 87,42,129.45 | 89,78,070.76 |
| | Depreciation and amortisation expense | 8 | 27,16,537.45 | 36,35,526.43 |
| | Other expenses | 20 | 1,84,73,412.13 | 1,37,24,127.80 |
| | Total expenses | | 7,75,74,174.03 | 4,00,09,643.29 |
| 5 | Profit before exceptional and extraordinary items and tax (3 - 4) | | (24,83,930.22) | 1,13,60,184.20 |
| 6 | Exceptional items | | - | - |
| 7 | Profit before extraordinary items and tax (5 - 6) | | (24,83,930.22) | 1,13,60,184.20 |
| 8 | Extraordinary items | 21 | 36,56,035.00 | 1,07,99,835.44 |
| 9 | Profit before tax (7-8) | | 11,72,104.78 | 5,60,348.76 |
| 10 | Tax expense: | | | |
| | (a) Current tax expense for current year | | 2,53,060.00 | - |
| | (c) Deferred tax Asset | | 3,82,086.00 | 6,21,043.00 |
| 11 | Profit from continuing operations (9 -10) | | 13,01,130.78 | 11,81,391.76 |
| B | DISCONTINUING OPERATIONS | | | |
| 12.i | Profit / (Loss) from discontinuing operations (before tax) | | - | - |
| 12.ii | Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations | | - | - |
| 12.iii | Add / (Less): Tax expense of discontinuing operations* | | | |
| | (a) on ordinary activities attributable to the discontinuing operations | | - | - |
| | (b) on gain / (loss) on disposal of assets / settlement of liabilities | | - | - |
| 13 | Profit / (Loss) from discontinuing operations | | - | - |
| C | TOTAL OPERATIONS | | | |
| 14 | Profit / (Loss) for the year (11 + 13) | | 13,01,130.78 | 11,81,391.76 |

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PARAG FANS AND COOLING SYSTEMS LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

| | Particulars | Note No. | For the year ended | For the year ended |
|-------|---|----------|----------------------------|----------------------------|
| | | | 31 March, 2017 (In Rs.) | 31 March, 2016 (In Rs.) |
| 14.i | Earnings per share | | | |
| | (a) Basic | | | |
| | (i) Continuing operations | | 0.37 | 0.34 |
| | (ii) Total operations | | 0.37 | 0.34 |
| | (b) Diluted | | | |
| | (i) Continuing operations | | 0.37 | 0.34 |
| | (ii) Total operations | | 0.37 | 0.34 |
| 14.ii | Earnings per share (excluding extraordinary items) | | | |
| | (a) Basic | | | |
| | (i) Continuing operations | | -0.67 | 3.43 |
| | (ii) Total operations | | -0.67 | 3.43 |
| | (b) Diluted | | | |
| | (i) Continuing operations | | -0.67 | 3.43 |
| | (ii) Total operations | | -0.67 | 3.43 |
| | 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



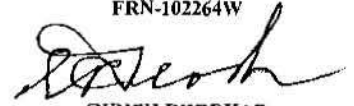
SANDEEP BAJAJ
 DIRECTOR
 DIN: 00979809



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: 30/05/2017

Place: Nagpur
 Date: 30/05/2017

PARAG FANS AND COOLING SYSTEMS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2017

| PARTICULARS | FOR THE YEAR ENDED 31.03.2017 | |
|--|----------------------------------|-------------------------|
| | Amount Rs. | Amount Rs. |
| A. Cash flow from operating activities | | |
| Net Profit / (Loss) before extraordinary items and tax | | 13,01,130.78 |
| <u>Adjustments for:</u> | | |
| Add: Depreciation and amortisation | 27,16,537.45 | |
| Add: Finance costs | 87,42,129.45 | |
| Less : Deferred Tax | (3,82,086.00) | |
| Less: Interest income | (3,97,278.81) | 1,06,79,302.09 |
| Operating profit / (loss) before working capital changes | | 1,19,80,432.87 |
| <u>Changes in working capital:</u> | | |
| <i>Adjustments for (increase) / decrease in operating assets:</i> | | |
| Add : Decrease in Inventories | 83,22,639.00 | |
| Less : Increase in Trade receivables | (3,42,19,738.38) | |
| Less: Increase in other non current assets | (18,08,434.00) | |
| Add : Decrease in Other current assets | 16,82,099.22 | |
| Less: Increase in operating Assets | | (2,60,23,434.16) |
| <i>Adjustments for increase / (decrease) in operating liabilities:</i> | | |
| Add : Increase in Short-term borrowings | 96,473.03 | |
| Add : Increase in Trade payables | 57,35,409.30 | |
| Less : Increase in Other current liabilities | (2,51,41,109.35) | |
| Add : Increase in Short-term provisions | 5,48,005.36 | |
| Add: Increase in Operating Liabilities | | (1,87,61,221.66) |
| | | (3,28,04,222.95) |
| Cash flow from extraordinary items | | - |
| Cash generated from operations | | (3,28,04,222.95) |
| Net income tax (paid) / refunds | | - |
| Net cash flow from / (used in) operating activities (A) | | (3,28,04,222.95) |
| B. Cash flow from investing activities | | |
| Add: Interest Received on MPSEB | 2,780.81 | |
| Add: Interest Received on FDR | 3,94,498.00 | |
| | | 3,97,278.81 |
| Net income tax (paid) / refunds | | - |
| Net cash flow from investing activities (B) | | 3,97,278.81 |



| | | |
|--|----------------|-----------------------|
| C. Cash flow from financing activities | | |
| Add : Increase in long Term Borrowings | 4,08,93,850.23 | |
| Less: Finance cost | (87,42,129.45) | |
| Increase in cash flow from Financing Activities | | 3,21,51,720.78 |
| Cash flow from extraordinary items | | - |
| Net cash flow used in financing activities (C) | | 3,21,51,720.78 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | (2,55,223.36) |
| Cash and cash equivalents at the beginning of the year | | 59,08,796.54 |
| Effect of exchange differences on restatement of foreign currency Cash and cash | | - |
| Cash and cash equivalents at the end of the year | | 56,53,573.18 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents as per Balance Sheet | | 56,53,573.18 |
| Less: Bank balances not considered as Cash and cash equivalents as defined in AS | | - |
| Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) | | 56,53,573.18 |
| Add: Current investments considered as part of Cash and cash equivalents (as | | - |
| Cash and cash equivalents at the end of the year * | | 56,53,573.18 |

0.00

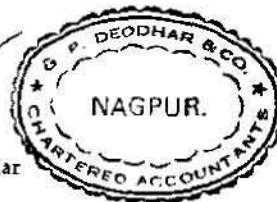
Place: Nagpur
Date: 30/05/2017

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


Sandee Badjatia
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 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|---|------------------------|------------------------|
| Authorised : | | |
| 35,00,000 Equity shares of Rs. 10 each (Pre Year 35,00,000 Equity Shares of Rs 10/- each) | 3,50,00,000.00 | 3,50,00,000.00 |
| 5,00,000 Preference Shares of Rs. 10/- each (Pre Year 5,00,000 Equity Shares of Rs 10/- each) | 50,00,000.00 | 50,00,000.00 |
| Issued, Subscribed & Paid : | | |
| 34,91,200 Equity Shares of Rs 10/- each fully paid up (Pre Year 34,91,200 Equity Shares of Rs 10/- each) | 3,49,12,000.00 | 3,49,12,000.00 |
| Total | 3,49,12,000.00 | 3,49,12,000.00 |

Notes:

1. The reconciliation of the number of shares outstanding as on March 31, 2017 and March 31, 2016 is set out below:

| Particulars | As at 31.03.2017 | | As at 31.03.2016 | |
|--|------------------|-----------------------|------------------|-----------------------|
| | Nos. | Amount | Nos. | Amount |
| 1. Shares outstanding at the beginning of the year | 3491200 | 3,49,12,000.00 | 3491200 | 3,49,12,000.00 |
| 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 | 3,49,12,000.00 | 3491200 | 3,49,12,000.00 |

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

| Class of shares / Name of shareholder | As at 31 March, 2017 | | As at 31 March, 2016 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Sandeep Badjatia | 12,47,799.00 | 35.74% | 12,47,799.00 | 35.74% |
| Impact Projects and consultants Pvt Ltd | 6,65,971.00 | 19.08% | 6,65,971.00 | 19.08% |
| Dinesh Seetha | 2,87,000.00 | 8.22% | 2,87,000.00 | 8.22% |
| Priyanka Fincap Pvt Ltd | 2,54,800.00 | 7.30% | 2,54,800.00 | 7.30% |
| Vimal Sodhani | 4,52,250.00 | 12.95% | 4,52,250.00 | 12.95% |
| Pankaj Bhargava | 1,96,760.00 | 5.64% | 1,96,760.00 | 5.64% |
| Total | 31,04,580.00 | 88.93% | 31,04,580.00 | 88.93% |

Note 2 RESERVES AND SURPLUS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--|------------------------|------------------------|
| Profit and Loss Account | | |
| Opening balance | -4,95,94,573.38 | -5,07,66,223.86 |
| Add Profit / (Loss) for the year | 13,01,130.78 | 11,81,391.76 |
| Less Dep Adjustment | 1,12,031.88 | 9,741.27 |
| | -4,84,05,474.48 | -4,95,94,573.38 |
| Shares Premium Account | 2,46,87,000.00 | 2,46,87,000.00 |
| Grant from Department of Scientific Industrial Research, G.O.J | 20,00,000.00 | 20,00,000.00 |
| TOTAL | -2,17,18,474.48 | -2,29,07,573.38 |



Note 3 LONG TERMS BORROWINGS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|---|------------------------|------------------------|
| Secured : | | |
| Car Loan Bank of India | 0.00 | 11,70,255.24 |
| Unsecured : | | |
| Loans from related parties | | |
| Mr. Sandeep Badjatia | 1,97,00,000.00 | 50,00,000.00 |
| Impact Projects & Consultants Pvt. Ltd | 15,05,812.52 | 1,56,284.00 |
| Impact Fans and Cooling Systems Limited | 2,60,14,576.95 | 0.00 |
| TOTAL | 4,72,20,389.47 | 63,26,539.24 |

Note: The amount of car loan payable as on 31/03/2017 has been transferred to current liability as the amount is payable during 01/04/2017 to 31/03/2018

Notes:

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

| Sr. No. | Name of Related parties | Relationship | Opening Balance | Loan Taken/Adjusted against debtor or creditor Balance (Rs.) during the Year | Loan Repaid/Adjusted against debtor or creditor Balance (Rs.) during the Year | Closing Balance (Rs.) |
|---------|---|----------------|-----------------|--|---|-----------------------|
| 1 | Mr Sandeep Badjatia | Director | 50,00,000.00 | 1,47,00,000.00 | 0.00 | 1,97,00,000.00 |
| 2 | Impact Projects & Consultants Pvt. Ltd | Sister Concern | 1,56,284.00 | 13,49,528.52 | 0.00 | 15,05,812.52 |
| 3 | Impact Fans and Cooling Systems Limited | Sister Concern | 0.00 | 2,60,14,576.95 | 0.00 | 2,60,14,576.95 |

Note 4 SHORT TERM BORROWINGS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--|------------------------|------------------------|
| Secured | | |
| Bank of India EPC A/c | 1,00,00,000.00 | 86,30,528.00 |
| Bank of India-11037, Dewas (Cash Credit) | 3,04,90,915.03 | 3,14,75,853.00 |
| National Small Industries Corporation Ltd. | 95,75,474.00 | 98,63,535.00 |
| TOTAL | 5,00,66,389.03 | 4,99,69,916.00 |

Notes:

1 The total amount sanctioned by the bank for the purpose of cash credit is Rs. 300 Lacs

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 Lacs 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.



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| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|---|------------------------|------------------------|
| Sundry Creditors | | |
| A.K.Timber,Dewas | 1,56,462.00 | 1,14,939.00 |
| Abdul Aziz Roshan | 12,700.00 | 0.00 |
| Aditi Engineers And Instruments | 1,31,580.00 | 1,31,580.00 |
| Ambe Traders | 31,165.00 | 0.00 |
| Anil Logistics | 11,250.00 | 11,250.00 |
| Ankit Engineers A/C | 0.00 | 22,264.00 |
| Ankit Fiber Glass | 43,439.00 | 18,489.00 |
| Badshah Steels | 52,884.00 | 0.00 |
| Badshah Trading Co Dewas | 15,649.00 | 0.00 |
| Badshah Trading Corporation, Indore | 64,385.60 | 64,385.60 |
| Bhavna Enterprises | 2,33,709.00 | 2,33,709.00 |
| Brijlal Meghani | 3,913.00 | 0.00 |
| Calcutta Alloy Steel House | 9,801.00 | 0.00 |
| Compact tools Dewas | 66,845.80 | 66,845.80 |
| Creative Engineers | 30,000.00 | 30,000.00 |
| Crest Composites & Plastics Pvt. Ltd. | 31,93,707.84 | 30,90,192.84 |
| Deepak Enterprises, Dewas | 3,24,226.00 | 2,17,533.00 |
| Dewas Gujrat Transport, Dewas | 33,100.00 | 0.00 |
| Dewas Paint Centre | 2,297.00 | 2,297.00 |
| EML-Line Pvt Ltd. | 7,77,653.00 | 0.00 |
| Enkay Enterprises A/c | 27,097.00 | 0.00 |
| Erbee Enterprises, Indore | 34,172.00 | 34,172.00 |
| Fame Global Logistics Pvt. Ltd. | 5,22,101.00 | 0.00 |
| Fibro Plast Corporation | 10,92,100.04 | 10,06,426.04 |
| Ganpati Structure Pvt Ltd | 21,805.00 | 0.00 |
| Genta Timber Mart, Indore | 5,00,391.00 | 5,00,391.00 |
| Govind Malav & Co. Indore | 45,145.00 | 1,00,580.00 |
| Girish Electricals & Repairing Centre | 72,671.00 | 0.00 |
| Gouri Sahoo | 15,000.00 | 0.00 |
| Guru Fabricators | 18,089.00 | 0.00 |
| Greenwich Meridian Logistics (I) Pvt. Ltd. | 0.00 | 10,211.00 |
| Haji Ashar Ali Haji Tayyeb Bhai | 19,795.00 | 0.00 |
| H.M. Shah & co., Indore | 20,500.00 | 20,500.00 |
| Harish Printing Press | 8,350.00 | 2,400.00 |
| Hotel Abhilasha | 0.00 | 833.00 |
| Hotel Sagar | 18,090.00 | 18,090.00 |
| Indotech Industries(I) Pvt Ltd (Unit-2) Dewas | 2,50,036.00 | 2,50,036.00 |
| Indra Industries | 22,180.00 | 0.00 |
| Innovative Resins Pvt Ltd | 557.00 | 0.00 |
| Indra Stationery Mart, Dewas | 3,002.00 | 3,002.00 |
| J.K. Products India | 3,819.00 | 5,621.00 |
| Jayant Enterprises, Indore | 2,36,741.00 | 2,61,741.00 |
| Karitech Test & Research Centre (P) Ltd. | 2,079.00 | 2,079.00 |
| Kamri Printing Press, Indore | 1,500.00 | 3,300.00 |
| Kent Enterprises, Indore | 818.00 | 818.00 |
| Khanuja Wood Works, DEWAS | 2,22,968.00 | 0.00 |
| Kothari Corporate | 45,000.00 | 0.00 |
| Laxmi Fumigation and Pest Control Ltd. | 7,615.00 | 0.00 |
| M.B. Tubes | (5,499.00) | 16,233.00 |
| Madhyanchal Steel Pvt Ltd | 575.00 | 575.00 |
| Mahagujrat Foundry, Ahmedabad | 5,83,393.21 | 5,83,393.21 |
| Mama Casting & Repairing Works, Dewas | 4,095.00 | 0.00 |
| Mangesh Deodhar A/c | 45,000.00 | 0.00 |
| Manibhadra Sales Corporation | 3,146.00 | 3,146.00 |
| METWORK EQUIPMENTS & SERVICES PVT. LTD. | 23,900.00 | 0.00 |
| Metropolitan Stock Exchange of India Limited | (5,51,250.00) | 0.00 |
| Mitasha Industries | 27,32,026.00 | 16,09,700.00 |
| Mufaddal Hardware & paints, Dewas | 18,340.00 | 18,340.00 |
| Multi Mode Logistics India Pvt. Ltd | 4,266.00 | 8,266.00 |
| Murtuza Steel Industries, Indore | 7,47,170.00 | 6,08,137.00 |
| MVP India | 15,71,251.00 | 15,71,251.00 |
| Neela Enterprises, Dewas | 9,537.00 | 14,082.00 |
| NEW ERA INDUSTRIES | 1,10,160.00 | 0.00 |
| New J.K Industries, Bhopal | (35,041.75) | (35,041.75) |
| Oswal Sales Corporation, Indore | 0.00 | (3,368.00) |
| P.O. & Brothers | 41,126.00 | 0.00 |
| Patel Wood Work | 1,31,428.00 | 77,379.00 |
| Perfection | 2,450.00 | 2,450.00 |
| Pride Industrial Equipments (I) Pvt Ltd. | 20,90,495.00 | 1,78,690.00 |
| Prime Marketing | (8,714.00) | 0.00 |
| Pride Industrial Services | 1,16,767.44 | 6,16,767.44 |
| QSI India Certification Pvt Ltd | 0.00 | 10,112.00 |
| Quality Plywood Center | 17,795.00 | 16,195.00 |
| Rafik Sheikh | 0.00 | 1,435.00 |
| Rahul Foam A/c | 31,260.00 | 24,789.00 |
| Rainbow Enterprises (New) | 7,980.00 | 0.00 |

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| | | |
|---|-----------------------|-----------------------|
| Rajesh Solanki | 0.00 | 1,000.00 |
| Rexine House Dewas | 19,265.00 | 4,885.00 |
| Roshan Frieght Lines (India) Pvt Ltd | 0.00 | 1,88,051.00 |
| RRK Packers | 0.00 | 71,772.00 |
| Saburi Enterprises, | 27,300.00 | 0.00 |
| Sabir Hussain Hasan Ali Rassi Wala, Dewas | 2,05,582.50 | 1,87,287.50 |
| Sanjay Photocopy | 2,805.00 | 256.00 |
| Shalab Hardware & Paints | 24,085.00 | 24,085.00 |
| Shiv Shakti Engineering Works | 1,800.00 | 0.00 |
| Shivam Enterprises, Dewas | 33,861.00 | 33,861.00 |
| Shraddha Services, Indore | 63,900.89 | 63,900.89 |
| Shree Gansch Enterprises | 7,30,968.00 | 5,90,391.00 |
| Shreya Enterprises | 25,498.00 | 25,498.00 |
| Shri Paravati Industries A/c | 5,66,513.00 | 5,66,513.00 |
| S K Tools | 14,809.00 | 0.00 |
| S S Security Services, Dewas | 2,82,765.30 | 0.00 |
| Siddharth Cargo & Couriers, Indore | 561.00 | 561.00 |
| SNG Unicorn Worldwide Shipping | 1,82,112.00 | 2,93,967.00 |
| STAINLESS STEEL FASTENERS | 57,472.00 | 0.00 |
| Stella Performance Additives LLP | 3,31,645.00 | 4,39,951.00 |
| Sunshine Fastech Pvt Ltd | 2,26,115.00 | 2,26,115.00 |
| Syscraft Information System | 5,500.00 | 0.00 |
| Tazyeen Foam & Furnishing | 630.00 | 0.00 |
| Trade Asia | 91,330.00 | 91,330.00 |
| Transport (inwards) | 3,13,236.00 | 3,11,836.00 |
| Transport (Outward) | 29,40,299.00 | 20,97,886.00 |
| V- Trans (India) Ltd | 4,96,637.00 | 3,76,905.00 |
| Vepro Weighing, Dewas | 6,150.00 | 4,350.00 |
| Versatile Agencies, Indore | 12,462.00 | 0.00 |
| Vidyut Electro Platers | 65,092.60 | 0.00 |
| Vijet Engineers | 0.00 | 1,87,034.00 |
| Vishnu Dairy | 2,268.00 | 0.00 |
| Vishwas Packing, Dewas | 1,24,516.00 | 1,34,966.00 |
| Yadav Shree Engineering Works, Dewas | 2,50,805.00 | 0.00 |
| Total | 2,32,04,026.87 | 1,74,68,617.57 |

Note 6: OTHER CURRENT LIABILITIES

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|---|------------------------|------------------------|
| Car Loan Principal payable in next year | 8,82,710.00 | 8,01,340.00 |
| Technology Information, Forecasting and Assessment Council Loan | 1,51,193.00 | -2,44,204.00 |
| Shree Traders (F) | 1,82,069.61 | 1,82,069.61 |
| Shri Sai Labour Contractors | 1,74,196.00 | 1,74,196.00 |
| Yugal Trading Co. (F) | 25,790.60 | 25,790.60 |
| Ankit Consultancy Pvt.Ltd | 1,20,630.00 | 95,040.00 |
| Neelesh Gupta & Co | 19,745.00 | 1,06,145.00 |
| Priti Singi (Company Secretary) | 21,050.00 | 21,050.00 |
| Raj Computer | 0.00 | 5,000.00 |
| Syscraft Information Systems | 0.00 | 5,500.00 |
| S S Security Services, Dewas | 0.00 | 2,57,292.30 |
| Khandelwal Resins & Polymers | 0.00 | 18,63,631.00 |
| Girish Electrical & Repairing Centre | 0.00 | 31,879.00 |
| J.J.Medicos A/C | 0.00 | 7,303.00 |
| Maharaj Enterprises | 0.00 | 2,000.00 |
| Joshi Mahajan & Co | 0.00 | 33,708.00 |
| Welspun Projects Limited | 641.00 | 5,477.00 |
| Yadav Shree Engineering Works , Dewas | 0.00 | 1,01,384.00 |
| Rajasthan Udyog | -6,415.00 | -61,540.00 |
| Dewas Zinc Platers | 0.00 | 5,342.00 |
| Garima Service Providers | 10,649.00 | 10,649.00 |
| Mangesh Deodhar | 0.00 | 45,000.00 |
| Sandeep Badjatia Current Account | 1,65,694.00 | 28,12,435.00 |
| Directors Sitting Fees Payable | 0.00 | 48,000.00 |
| Vimal Sodhani | 0.00 | 50,00,000.00 |
| V C Sodhani (Unsecured Loan) | 27,24,305.55 | 10,04,739.00 |
| Other Loans and Advances | 14,412.00 | 0.00 |
| Bharti Airtel Ltd | 4,375.06 | 13,874.75 |
| Kalu Singh Ta A/C | 0.00 | 0.00 |
| Parvez Khan Expenses A/c | 0.00 | 0.00 |
| Pithampur Bombay Roadways | 0.00 | 0.00 |
| Rajendra Chawda Ta Da | 0.00 | 0.00 |
| Ranjeet singh Exp A/c | 0.00 | 0.00 |
| Sudhir Gawai Ta Da A/C | 0.00 | 0.00 |
| EPCO Loan | 0.00 | 1,04,69,566.55 |
| Impact Fans and Cooling Systems Limited (Advance from Debtor) | 0.00 | 68,09,487.36 |
| TOTAL | 44,91,045.82 | 2,96,32,155.17 |

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Note 7 : SHORT TERM PROVISIONS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|----------------------------|------------------------|------------------------|
| Excise Duty Payable | 6,88,951.64 | 4,28,531.13 |
| Service Tax Payable | 19,179.85 | 40,598.00 |
| Income Tax Payable | 2,51,060.00 | 0.00 |
| Entry Tax Payable | 25,999.00 | 23,139.00 |
| TDS Payable | 2,10,975.00 | 2,64,441.80 |
| ESIC Payable | 97,825.00 | 41,681.00 |
| PF Payable | 5,60,278.00 | 3,68,448.00 |
| Audit Fees Payable | 1,99,156.00 | 1,88,979.00 |
| Profession Tax Payable | 1,09,487.00 | 85,086.00 |
| Sales Tax Payable | 2,35,880.00 | 89,519.00 |
| Salaries and Wages Payable | 16,01,952.00 | 14,56,786.00 |
| TOTAL | 35,37,214.29 | 19,89,206.93 |

Note 9 : NON CURRENT INVESTMENTS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--|------------------------|------------------------|
| Equity Shares - Quoted, Fully Paid Up | | |
| Bank of India | 18,000.00 | 18,000.00 |
| SBI Magnum | 2,050.00 | 2,050.00 |
| MPLA Security Deposit | 60,250.00 | 60,250.00 |
| TOTAL | 80,300.00 | 80,300.00 |

Note 10 : TRADE RECEIVABLES

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--|------------------------|------------------------|
| Trade Receivable | | |
| BRAC Lyon Ltd | 2,38,663.00 | 2,38,663.00 |
| Effluxair Air Cooled Condensers Pvt Ltd | 72,138.00 | 72,138.00 |
| Elpro Energy Dampening Pvt. Ltd | 0.00 | 18,161.00 |
| Fans Aac Pvt. Ltd | 22,66,000.00 | 30,16,000.00 |
| GFI Industries Systems Ltd. | 2,39,377.50 | 2,39,377.50 |
| Green Cooling Towers Operations LLC | 83,06,553.00 | 83,06,553.00 |
| Indian Oil Corporation Ltd | 5,18,002.00 | 2,55,814.75 |
| Improved Asia Co Ltd. | 7,72,978.04 | 5,29,934.84 |
| Isapal Demolish Ltd | (10,506.00) | (10,506.00) |
| Jayprakash Associates Ltd | (3,00,000.00) | (3,00,000.00) |
| Jiangsu Zhong Jin Environment | 3,53,778.00 | 3,53,778.00 |
| National Building Const. Corp. | 4,22,140.00 | 4,22,140.00 |
| NTPC Ltd. Kohra | 21,59,821.00 | 0.00 |
| Parvaha Thermal Power Project (Jhansi) | 0.00 | 5,90,389.00 |
| PT Aera Pacific, Indonesia | 0.00 | 2,39,040.00 |
| PT Indorama Synthetics | 0.00 | 51,862.00 |
| Rourkela Steel Plant | 68,941.52 | 68,941.52 |
| SCCL | 5,500.00 | 5,500.00 |
| Sengall Cooling Tech | 0.00 | 5,24,560.00 |
| Shanghai Yuxen Trading Co. Ltd | 51,956.13 | 51,956.13 |
| Thermux SPC Energy Technologies Ltd | 10,39,635.00 | 69,56,558.00 |
| Zac International PTE. Ltd. Singapore | (1,96,815.00) | (1,96,815.00) |
| Chemtech Prima Utama PT Kenayasa Indah | (1,18,000.00) | 0.00 |
| Hindustan Zinc Ltd. Yana | 8,60,996.00 | 0.00 |
| Impact Cooling Solutions LLC (Dr.) | 53,66,249.93 | 0.00 |
| Impact Fans & Cooling Systems Ltd (Dr.) | 3,11,51,926.00 | 0.00 |
| Impact Projects & Consultants Pvt Ltd (Debitors) | 7,55,813.00 | 0.00 |
| NTPC VINDHYANAGAR | 16,28,647.00 | 0.00 |
| TOTAL | 5,56,53,784.32 | 2,14,34,045.74 |

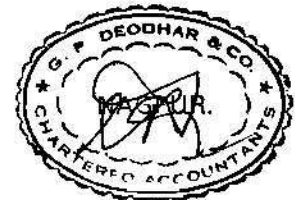
Notes:

1. Related Party relationships/transactions warranting disclosures under Accounting Standard 18 prescribed under companies (Accounting standards) Rules, 2016 are as under:

| Sr. No | Name of Related parties | Relationship | Opening Balance Dr./ Cr. | Sales During the year/Transaction during the year | Debitors realized (Adjusted During the year) | Closing Balance (Rs.) |
|--------|---|----------------|--------------------------|---|--|-----------------------|
| 1 | Impact Cooling Solutions LLC (Dr.) | Sister Concern | 0.00 | 53,66,249.93 | 0.00 | 53,66,249.93 |
| 2 | Impact Projects & Consultants Pvt Ltd | Sister Concern | 0.00 | 7,55,813.00 | 0.00 | 7,55,813.00 |
| 3 | Impact Fans and Cooling Systems Limited | Sister Concern | 0.00 | 3,11,51,926.00 | 0.00 | 3,11,51,926.00 |

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PARAG FANS AND COOLING SYSTEMS LIMITED
NOTE 8 DEPRECIATION AS AT 31st March, 2017

AS PER THE COMPANIES ACT, 2013

| PARTICULARS | RATE OF DEPRECIATION (%) | USEFUL LIFE (NO. OF YEARS) | RESIDUAL VALUE | COST OF ASSETS | | | DEPRECIATION | | | | W.D.V. | |
|------------------------------------|--------------------------|----------------------------|----------------|----------------|-----------------|----------------|----------------|--------------|--------------|--------------------|------------------|------------------|
| | | | | COST | SALES/WRITE OFF | TOTAL | UPTO DATE | FOR THE YEAR | REVERSAL | TOTAL DEPRECIATION | AS ON 31.03.2017 | AS ON 31.03.2016 |
| LAND | 0.00% | - | 0.00 | 4,57,983.00 | 0.00 | 4,57,983.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,57,983.00 | 4,57,983.00 |
| SITE DEVELOPMENT | 20.99% | 8 | 40,394.75 | 8,07,895.00 | 0.00 | 8,07,895.00 | 5,42,011.68 | 55,808.91 | 0.00 | 5,97,820.59 | 2,10,074.41 | 2,65,883.32 |
| BUILDING | 14.29% | 13 | 7,66,030.40 | 1,53,20,608.00 | 0.00 | 1,53,20,608.00 | 96,38,430.89 | 8,11,983.11 | 0.00 | 1,04,50,414.00 | 48,70,194.00 | 56,82,177.11 |
| FURNITURE & FIXTURES | 21.05% | 2 | 79,577.90 | 15,91,558.00 | 0.00 | 15,91,558.00 | 14,57,140.04 | 30,983.34 | 0.00 | 14,88,123.38 | 1,03,434.62 | 1,34,417.96 |
| OFFICE EQUIPMENTS | 60.14% | 0 | 1,12,021.55 | 22,40,431.00 | 0.00 | 22,40,431.00 | 21,28,399.12 | 0.00 | 21,28,399.12 | 0.00 | 0.00 | 1,12,031.88 |
| ADD. ADDITIONS DURING 2014-15 | 45.07% | 3 | 650.50 | 13,010.00 | 0.00 | 13,010.00 | 6,986.23 | 2,714.91 | 0.00 | 9,701.14 | 3,308.86 | 6,023.77 |
| COMPUTER (PURCHASED IN FY 2014-15) | 63.16% | 1 | 290.00 | 5,800.00 | 0.00 | 5,800.00 | 3,810.10 | 1,256.82 | 0.00 | 5,066.92 | 733.08 | 1,989.90 |
| COMPUTER | 84.45% | 0 | 9,741.27 | 1,94,825.33 | 0.00 | 1,94,825.33 | 1,94,825.33 | 0.00 | 1,94,825.33 | 0.00 | 0.00 | 0.00 |
| PLANT & MACHINERY | 18.11% | 6 | 20,76,845.35 | 4,15,36,907.00 | 0.00 | 4,15,36,907.00 | 3,46,51,089.82 | 12,47,021.49 | 0.00 | 3,58,98,111.31 | 56,38,795.69 | 68,85,817.18 |
| VEHICLE | 35.38% | 4 | 2,79,243.00 | 55,84,860.00 | 0.00 | 55,84,860.00 | 39,82,912.95 | 5,66,768.87 | 0.00 | 45,49,681.82 | 10,35,178.18 | 16,01,947.05 |
| TOTAL (RS.) | | | 33,64,794.72 | 6,77,53,877.33 | 24,35,256.33 | 6,53,18,621.00 | 5,25,05,606.17 | 27,16,537.45 | 23,23,224.45 | 5,29,98,919.16 | 1,23,19,701.84 | 1,51,48,271.77 |



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 thereon.
Cost comprises of purchase price and all expenses directly attributable to the acquisition or construction of the asset.
4) During the year amount of Rs. 112031.88/- has been written off since the useful life of office equipments has been elapsed. Therefore we have also reversed the cost and depreciation charged upto date i.e., 31.03.2017.

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Note11 : CASH AND CASH EQUIVALENTS

| Particulars | | As at 31.03.2016 (Rs.) |
|----------------------|---------------------|------------------------|
| Cash in Hand | 45,990.00 | 300,846.00 |
| Bank Accounts | | |
| Bank Of India- 00024 | 2,524.36 | 3,039.05 |
| FDR-BOI | 5,604,911.49 | 5,604,911.49 |
| Bank of India EPC | 147.33 | 0.00 |
| TOTAL | 5,653,573.18 | 5,908,796.54 |

Note 12 : SHORT TERM LOANS AND ADVANCES

| Particulars | AS At 31.03.2017 (Rs.) | AS At 31.03.2016 (Rs.) |
|---|------------------------|------------------------|
| Others | | |
| 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 |
| Amnc Shipping Pvt. Ltd. | 500,000.00 | 500,000.00 |
| Calclus Securities | 900,750.00 | 900,750.00 |
| G.S.Karandikar | 451,179.00 | 451,179.00 |
| J.V.Modi Securities Pvt. Ltd. | 1,000,000.00 | 1,000,000.00 |
| Jamtech Traders Pvt.Ltd. | 573,813.00 | 573,813.00 |
| 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 |
| Rajesh Soni | 1,602,000.00 | 1,602,000.00 |
| S.K.Finance | 300,000.00 | 300,000.00 |
| Shree Ram Securities | 3,500,000.00 | 3,500,000.00 |
| Veekay Enterprises | 170,000.00 | 170,000.00 |
| Ventech Engineers | 41,810.00 | 41,810.00 |
| Vinayak Leasing & Finance | 300,000.00 | 300,000.00 |
| Arun Kumar Pal Exp Account | 70.00 | 70.00 |
| Ashok Chauhan TA A/c | (1,265.00) | (1,265.00) |
| Champala Malviya TA DA Account | (1,365.00) | (1,365.00) |
| Devilal Malviya TA Account | 20,470.00 | 20,470.00 |
| Kalu singh exp a/c | 330.00 | 330.00 |
| Parvez Khan Exp A/c | (265.00) | (265.00) |
| Ranjeet singh Exp Account | 800.00 | 800.00 |
| Sachin Sharma Adv Account | 2,271.00 | 2,271.00 |
| Kalu singh TA a/c | 34.00 | 34.00 |
| Pithampur Bombay Roadways | (10,810.00) | (10,810.00) |
| Rajendra Chawda TA DA A/c | 4,208.00 | 4,208.00 |
| Sudhir Gawali TA DA A/c | (66.00) | (66.00) |
| Total | 23,316,983.00 | 23,316,983.00 |
| Less: Loans and Advances Written off | (23,316,983.00) | (23,316,983.00) |
| TOTAL | 0.00 | 0.00 |



Note 13 : OTHER CURRENT ASSETS

| Particulars | AS At 31.03.2017 (Rs.) | AS At 31.03.2016 (Rs.) |
|--------------------------------------|------------------------|------------------------|
| TDS Receivables | 4,55,965.30 | 4,11,568.30 |
| Sales tax appeal | 7,80,915.00 | 7,43,815.00 |
| Pankaj Bhargava Compensation Account | 0.00 | 18,08,434.00 |
| Accrued Interest on FDR | 2,14,979.67 | 1,96,403.67 |
| Service Tax receivable | 0.00 | 21,375.00 |
| Krishi Kalyan Cess | 950.00 | 375.00 |
| Arvind Panday | -4,378.00 | -2,500.00 |
| Deepak Pagnis Ta A/C | -46,187.00 | -50.00 |
| Gajendra Takwale | -2,811.00 | -1,622.00 |
| Sachin Sharma Freight A/C | -3,050.00 | 1,120.00 |
| Santosh Dhawale Adv. A/c | -1,150.00 | 0.00 |
| Umesh Nambiar Adv. A/c | 74,807.58 | -9,400.20 |
| Chandrashekhar Solanki Advance | 2,100.00 | 0.00 |
| Arun Kumar Pat Exp. A/c | 120.00 | 0.00 |
| Ashok Chouhan TA A/c | -2,010.00 | 0.00 |
| Champalal Malviya TA DA | -680.00 | 0.00 |
| Devilal Malviya TA A/c | 10,878.00 | 0.00 |
| Kalu Singh Exp. A/C | 2,554.00 | 0.00 |
| Sachin Sharma Adv A/C | -64.00 | 0.00 |
| Excise Duty PLA | 4,480.00 | 0.00 |
| TOTAL | 14,87,419.55 | 31,69,518.77 |

Note: During the current financial year 2016-17 the amount of Pankaj Bhargava Compensation account has been transferred to Non current assets

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

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--------------------------------|------------------------|------------------------|
| SALES | | |
| Export Sales | 3,41,66,070.00 | 1,51,22,202.99 |
| SEZ Sales | 6,74,704.00 | 34,83,000.00 |
| Sales Within India | 3,92,62,839.00 | 3,11,42,477.00 |
| Packing and forwarding Charges | 2,23,395.00 | 1,89,079.00 |
| TOTAL | 7,43,27,008.00 | 4,99,36,758.99 |

Note 15 : OTHER INCOME

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|------------------------------|------------------------|------------------------|
| Freight Charges Recovered | 72,576.00 | 0.00 |
| Dividend from shares of BOI | 0.00 | 2,000.00 |
| Interest Received from MPSEB | 2,780.81 | 2,455.22 |
| Interest on Fixed Deposits | 3,94,498.00 | 4,66,142.00 |
| Technical Consultancy Fees | 1,53,600.00 | 6,11,449.00 |
| Foreign Exchange Diff. | 1,36,046.13 | 3,53,328.73 |
| Round Off | 2,234.87 | -2,306.45 |
| Discount on purchase | 1,500.00 | 0.00 |
| TOTAL | 7,63,235.81 | 14,33,068.50 |

Note 16 : RAW MATERIALS CONSUMED

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--------------------------------|------------------------|------------------------|
| Opening Stock of Raw Materials | 2,65,26,332.82 | 1,69,11,461.30 |
| Add: Purchases | 2,77,32,088.00 | 2,04,57,002.53 |
| Less: Closing Stock | 2,50,30,003.00 | 2,65,26,332.82 |
| Raw Materials Consumed | 2,92,28,417.82 | 1,08,42,131.01 |
| Add: Direct Exp | | |
| Freight Inward Charges Paid | 3,33,039.00 | 22,46,792.00 |
| Entry Tax Exp A/c | 1,16,214.00 | 1,45,343.00 |
| CST paid on Purchase | 2,05,188.00 | 2,87,441.47 |
| TOTAL | 2,98,82,858.82 | 1,35,21,707.48 |

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

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|---|------------------------|------------------------|
| Opening stock of Finished Goods & WIP | 4,43,58,315.18 | 3,64,39,778.00 |
| Less: Closing Stock of Finished Goods and WIP | 3,75,32,006.00 | 4,43,58,315.18 |
| Changes in Inventory | 68,26,309.18 | -79,18,537.18 |
| TOTAL | 68,26,309.18 | -79,18,537.18 |

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Note 18 : EMPLOYEE BENEFIT EXPENSES

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|--------------------------------|------------------------|------------------------|
| Directors Remunerations | 24,81,032.00 | 26,00,000.00 |
| Salary Office Staff | 39,07,536.00 | 18,69,002.00 |
| P.F. Employer Contribution 12% | 3,00,915.00 | 5,72,326.00 |
| Staff Welfare | 1,30,113.00 | 1,10,933.00 |
| Wages & Labour Charges | 30,18,186.00 | 25,44,238.00 |
| Over time | 3,44,420.00 | 2,24,090.00 |
| E.S.I C Contribution A/c | 1,35,691.00 | 1,24,159.00 |
| Director's Sitting Fees | 0.00 | 24,000.00 |
| Gratuity | 10,000.00 | 0.00 |
| Arrears salary | 5,39,078.00 | 0.00 |
| Attendance Welfare | 3,800.00 | 0.00 |
| PF Damages | 62,156.00 | 0.00 |
| TOTAL | 1,09,32,927.00 | 80,68,748.00 |

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

| Sr. No. | Name of Related parties | Relationship | Amount | Nature of Payment |
|---------|-------------------------|----------------|--------------|-------------------|
| 1 | Mr Sandeep Badjatia | Director | 13,20,000.00 | Remuneration |
| 2 | Mr. Umesh Nambiar | Director | 5,80,516.00 | Remuneration |
| 3 | Mr. Deepak Pagnis | Director | 5,80,516.00 | Remuneration |
| 4 | Mr. Raunaq Badjatia | Director's son | 5,45,600.00 | Salary |

Note 19 : FINANCE COSTS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|-------------------------------------|------------------------|------------------------|
| Bank Commission & Charges | 12,64,390.57 | 16,68,923.16 |
| Foreign Bank Charges on Realization | 1,30,807.38 | 54,988.60 |
| Interest on Car loan | 1,44,400.00 | 2,43,355.00 |
| Interest On CC Account | 44,47,025.00 | 43,85,171.00 |
| Interest Paid(NSIC) | 13,35,130.00 | 13,01,591.00 |
| Interest to Others | 1,28,064.00 | 51,581.00 |
| Interest on EPC | 11,77,567.50 | 11,59,052.00 |
| Processing Fees of NSIC | 1,14,745.00 | 1,13,409.00 |
| TOTAL | 87,42,129.45 | 89,78,070.76 |

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Note 20 : OTHER EXPENSES

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|---------------------------------|------------------------|------------------------|
| Advertising Expenses | 11,400.00 | 0.00 |
| Audit Expenses | 0.00 | 3,000.00 |
| Audit Fees | 75,000.00 | 75,000.00 |
| Commission Exp | 0.00 | 2,58,100.00 |
| Computer Maintenance | 51,050.00 | 66,107.00 |
| Conveyance Expense | 67,167.00 | 54,518.00 |
| Discount on sales | 0.00 | 1,06,000.00 |
| Electricity Charges | 3,16,239.81 | 2,77,354.22 |
| Factory Expenses | 0.00 | 16,87,066.00 |
| Foreign Exchange Difference A/c | 0.00 | 2,10,511.00 |
| Inspection/Installation Charges | 0.00 | 3,09,000.00 |
| Insurance Charges | 82,656.00 | 88,214.00 |
| Interest on Entry Tax | 0.00 | 3,759.00 |
| Interest on Excise Tax | 0.00 | 11,442.00 |
| Interest on Sales Tax | 2,988.00 | 1,777.00 |
| Interest on Service Tax | 0.00 | 2,563.00 |
| Interest on TDS | 3,01,984.00 | 0.00 |
| Jobwork Contract Charges | 85,71,380.00 | 11,89,672.00 |
| Legal & Professional Charges | 4,66,329.00 | 10,26,835.00 |
| Lodging & Boarding Charges A/c | 0.00 | 0.00 |
| Loading Charges | 21,573.00 | 2,500.00 |
| Medical Expenses | 35,947.00 | 27,687.00 |
| Membership & Subscription | 67,735.00 | 1,24,998.00 |
| Miscellaneous Exp | 0.00 | 3,060.00 |
| Office Expenses | 650.00 | 0.00 |
| Plant & Machinery Maintenance | 40,000.00 | 0.00 |
| Pooja Expenses | 4,080.00 | 100.00 |
| Photocopy & Printing Expenses | - | 0.00 |
| Postage & Courier | 58,613.00 | 47,854.00 |
| Printing & Stationary | 44,113.00 | 43,443.00 |
| Rent, Rates and Taxes | 0.00 | 3,60,000.00 |
| Rejects Disposal | 75,000.00 | 0.00 |
| Repairs & Maintenance | 1,44,219.00 | 29,160.00 |
| Sales Promotion | 24,89,361.24 | 53,23,312.17 |
| Service Tax Exp A/c | 37,980.00 | 0.00 |
| Security Expenses | 4,64,771.00 | 4,49,454.00 |
| Surcharge For Late Payment | 3,180.00 | 1,728.16 |
| Telephone Expenses | 1,65,764.08 | 1,98,082.25 |
| Testing Charges | 36,067.00 | 0.00 |
| Transportation Charges | 49,275.00 | 0.00 |
| Travelling Expenses | 12,25,482.00 | 11,75,372.00 |
| Vehicle Running & Maintenance | 45,792.00 | 1,95,460.00 |
| Water Charges | 10,893.00 | 33,599.00 |
| Freight Outward Expense | 31,92,183.00 | 0.00 |
| Swachh Bharat Cess | 1,533.00 | 375.00 |
| Bonus | 313007.00 | 3,37,025.00 |
| TOTAL | 1,84,73,412.13 | 1,37,24,127.80 |

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 | Nature of Transaction | Amount |
|---------|-----------------------------------|----------------|--------------------------|--------------|
| 1 | Impact Cooling Solutions LLC, USA | Sister Concern | Sales Promotion Expenses | 24,89,361.24 |

Note 21 : EXTRAORDINARY ITEMS

| Particulars | As at 31.03.2017 (Rs.) | As at 31.03.2016 (Rs.) |
|------------------------------------|------------------------|------------------------|
| Accounts Written Off | 0.00 | 1,06,30,504.50 |
| Accounts Written Back | -36,56,035.00 | -4,13,001.06 |
| Prior Period Expenditure | | |
| Sales Tax Paid (For F.Y. 2011-12) | 0.00 | 32,656.00 |
| Service Tax | 0.00 | 88,478.00 |
| Arrear 2014-15 | 0.00 | 2,70,568.00 |
| PF Damages | 0.00 | 1,90,630.00 |
| TOTAL | -36,56,035.00 | 1,07,99,835.44 |

Note: During the year the company has written back some creditors amounting to Rs. 36,56,035 being not payable



PARAG FANS & COOLING SYSTEMS LIMITED

NOTE FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2017

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.

