



**PARAG
FANS & COOLING
SYSTEMS LTD.**

CIN: U51102MP1991PLC006760

Date: 02.09.2022

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

Sub: Submission of 31st Annual Report along with notice of Annual General Meeting to be held on 26th September, 2022 at 04:00 P.M at the Registered Office of the Company at Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP), pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

Pursuant to provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related submission of 31st Annual Report along with Notice of Annual General Meeting to be held on 26th September, 2022 at 4:00 P.M. at Registered office of the Company situated at Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP).


We are pleased to submit the 31st Annual Report for the year 2021-22 of the company containing the Balance Sheet as at 31st March 2022 Statement of Changes in Equity and Profit And Loss and Cash Flow for the year ended 31st March 2022 and the Board Report and Auditor Report on that date and its annexure.

Further we would like to intimate that the company will commence dispatch of its Annual Report on 02nd September, 2022.

You are requested to please take on record the above said documents of the company for your reference and further needful.

Thanking you,
Yours Faithfully,

FOR PARAG FANS AND COOLING SYSTEMS LIMITED


MR. UMESH NAMBIAR
WHOLE TIME DIRECTOR
DIN: 02566355

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

2022

ANNUAL REPORT



**PARAG
FANS & COOLING
SYSTEMS LTD.**



PARAG
FANS & COOLING
SYSTEMS LTD.

CORPORATE INFORMATION

Board of Directors

Executive Directors:

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

Non Executive Directors:

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

Chief Financial Officer

Mr. Gajendra Madhukar Takwale

Statutory Auditors

M/s A K P S & Co.
Chartered Accountant
FRN: 102264W
HO. 3-H BCM City
4th Floor
Navlakha Square
A.B. Road – Indore M.P.

Secretarial Auditor

M/s Neelesh Gupta & Co.
Practicing Company Secretaries
111, 1st Floor, Ratanmani Complex
7/1, New Palasia, Indore

Internal Auditor

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

Bankers

Bank of India

Registrars and Share Transfer Agents

Ankit Consultancy Private Limited
(SEBI REG.No. INR 000000767)
60, Electronic Complex, Pardeshipura,
Indore (M.P.) 452010

Stock Exchange Listing

Metropolitan Stock Exchange of India Limited
4th floor, Vibgyor tower, Opposite Trident Hotel, Bandra-Kurla
Complex, Mumbai, India- PIN: 400098

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



CONTENTS

PARTICULARS	PAGE NO.
Notice of the Meeting	1
Board Report	12
Auditor's Report	30
Balance Sheet	45
Statement of Profit & Loss	46
Cash Flow Statement	47
Notes to the Financial Statements	48

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of the company shall be held on **Monday the 26th, September, 2022 at 04:00 P.M (IST)** at Registered Office Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP) to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2022 and the report of the Directors & Auditors thereon.
2. To appoint a director in place of Mr. Deepak Pagnis (DIN 02566436), who retires by rotation and being eligible offers himself for re-appointment.
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Deepak Pagnis (DIN 02566436), who retires by rotation from the Board of Directors and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company and whose office shall be liable to retire by

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of Members be and is hereby accorded to **Mr. Surendrakumar Badjatia (DIN:07501398)**, Director of the Company, to continue to hold office of Non- executive Director of the Company notwithstanding that Mr. Surendrakumar Badjatia (DIN:07501398), has already crossed 75 years of age.”

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

“RESOLVED THAT pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of Members be and is hereby accorded to **Mrs. Rukmini Badjatia (DIN: 07501462)**, Director of the Company, to continue to hold office of Non- executive Director of the Company notwithstanding that Mrs. Rukmini Badjatia (DIN: 07501462), has already crossed 75 years of age.”

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

“RESOLVED THAT pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of Members be and is hereby accorded to **Mr. Vijai Singh Bharaktiya (DIN: 00017285)**, Director of the Company, to continue to hold office of Non- executive Director of the Company notwithstanding that Mr. Vijai Singh Bharaktiya (DIN: 00017285), has already crossed 75 years of age.”

6. **To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:**

“RESOLVED THAT in terms of provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for payment of remuneration to Mr. Umesh Nambiar (DIN: 02566355), Wholetime



Director, as set out in the Explanatory Statement, for the period April 01, 2021 to March 31, 2024, notwithstanding that such remuneration may exceed 5% (five percent) being the limit specified under Section 197 and Schedule V of the Act in case of inadequacy or absence of profits arising out of the COVID impact, calculated in accordance with the applicable provisions of the Companies Act, 2013.”

“**FURTHER RESOLVED THAT** the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits arising out of the COVID impact during this financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Whole Time Director.”

“**FURTHER RESOLVED THAT** save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mr. Umesh Nambiar (DIN: 02566355) shall continue to remain in full force and effect.”

“**FURTHER RESOLVED THAT** the Board (which will include its committee thereof) be and is hereby authorised to vary and /or revise the remuneration of Mr. Umesh Nambiar (DIN: 02566355) within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“**RESOLVED THAT** in terms of provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder, including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for payment of remuneration to Mr. Deepak Pagnis (DIN: 02566436), Wholetime Director, as set out in the Explanatory Statement, for the period April 01, 2021 to March 31, 2024, notwithstanding that such remuneration may exceed 5% (five percent) being the limit specified under Section 197 and Schedule V of the Act in case of inadequacy or absence of profits arising out of the COVID impact, calculated in accordance with the applicable provisions of the Companies Act, 2013.”

“**FURTHER RESOLVED THAT** the terms and remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits arising out of the COVID impact during this financial year, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Wholetime Director.”

“**FURTHER RESOLVED THAT** save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mr. Deepak Pagnis (DIN: 02566436) shall continue to remain in full force and effect.”

“**FURTHER RESOLVED THAT** the Board (which will include its committee thereof) be and is hereby authorised to vary and /or revise the remuneration of Mr. Deepak Pagnis (DIN: 02566436) within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

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

**Regd Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 02nd September, 2022**

**Sd/-
(UMESH NAMBIAR)
Wholetime Director
DIN: 02566355**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
4. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
5. The Register of Members and Share transfer Books of the company will remain close from, Tuesday, 20th September, 2022 to Monday, 26th September, 2022 (both days inclusive).
6. Members are requested to notify immediately any change in their address and E-Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz., Ankit Consultancy Private Limited, Located at 60, Electronic Complex, Pardeshipura, Indore, Tel: +91 0731- 3198601/602: Fax: +91 0731- 4065798, E-mail: ankit_4321@yahoo.com to receive soft copy of Annual Report of the Company.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Ankit Consultancy Private Limited for assistance in this regard.
8. Members are requested to :
 - a. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - c. Send their questions at least 10 days in advance of the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
9. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11:00 A.M. to 1:00 P.M. upto the date of the Annual General Meeting.
10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
11. In terms of circulars issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.

12. The Annual Report of the Company for the year 2021-22, circulated to the Members of the Company, is available on the Company's website viz. paragfans.com, websites of the Stock Exchange, i.e. MSE at msei.in and on the website of CDSL i.e. www.evotingindia.com.
13. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice calling the Annual General Meeting, Directors Report, Audited Financial Statements, Auditors Report, etc. are being sent only through electronic mode to those Members whose email addresses are registered with the RTA / Depositories. Members who have not registered their email addresses are requested to register the same for receiving all communication from time to time including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website paragfans.com not later than 2 (two) days of passing of the resolution at the Annual General Meeting of the Company and will be communicated to the Stock Exchange(s).
15. Members may also note that the Notice of Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot/Poll Paper for the year 2021-22 will also be available on the company website paragfans.com for their download. For any communication, the shareholders may also send request to the company on the aforementioned Email ID.
16. The Map of Venue of AGM is given at the last page of Annual Report.
17. The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency for providing e-Voting facility (remote e-Voting and voting at AGM) to the shareholders of the Company in order to cast their votes electronically in terms of the aforesaid 'MCA Circulars'.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

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

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **23rd September, 2022** at **9.00 a.m.** and ends on **25th September, 2022** at **5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **19th September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.



In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at

	<p>https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Parag Fans & Cooling Systems Limited> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporate” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@paragfans.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXHIBIT TO NOTICE

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

Name of Director	Mr. Deepak Pagnis	Mr. Surendra kumar Badjatia	Mrs. Rukmini Badjatia	Mr. Vijai Singh Bharaktiya
Date of Birth and Age	30 th , April, 1970 (52 Years)	06 th January, 1942 (80 Years)	04 th September, 1944 (77 Years)	11 th April, 1936 (86 Years)
Qualification	Post Graduate	Graduate	Graduate	Graduate
Date of	04/02/2009	18/01/2017	18/01/2017	06/12/2012

Appointment				
Directorships held in other Companies as on 31 st March, 2022	1. Impact Fans & Cooling Systems Limited	1. Steklo Abresist Private Limited 2. Impact Fans & Cooling Systems Limited 3. AB IT Education Private Limited 4. Impact Projects And Consultants Private Limited 5. Agilytics Private Limited	1. Agilytics Private Limited	1. Dollex Industries Limited 2. Alfavision Overseas (India) Limited 3. Dollex Agrotech Limited 4. Sai Kripa Sugar Mill Private Limited 5. Alfavision Fibres Private Limited 6. Khandwa Bio-Tech Private Limited 7. Prithviraj Hospitality Limited 8. Fintero Financial Services Private Limited
Chairman /Members of the Committees As on 31 st March, 2022	Shareholders/Investors Grievances Committee	Nomination & Remuneration Committee	Nomination & Remuneration Committee	Audit Committee, Shareholders/ Investor Grievance Committee and Nomination & Remuneration Committee
Number of Equity Shares held in the Company	Nil	Nil	Nil	Nil

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

**Regd Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 02nd September, 2022**

**Sd/-
(UMESH NAMBIAR)
Wholetime Director
DIN: 02566355**

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 3:

Mr. Surendrakumar Badjatia, Non-Executive Director was appointed on the Board of the Company on 18th January, 2017 in Compliance of Section 152 of the Companies act, 2013. He is member of Nomination and Remuneration Committee of the Board.

In terms of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015-

“No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.”

He has attained the age of 75 Years and as per the requirements of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Special resolution needs to be passed seeking the approval of the Shareholders for continuation of his directorship in the Company.

The Board is of the opinion that the continued valuable contribution of Mr. Surendrakumar Badjatia could be of great use for your Company. He posses required expertise as a non-executive director. He has experience in the Company for last 5 years. His opinion and suggestions in the past have proven to be beneficial to the Com[any.

Other than Mr. Surendrakumar Badjatia and Mr. Sandeep Badjatia, None of the Directors or Key Managerial Personnel of the Company and their respective relatives, are concerned or interested in the above resolution.

Item No. 4:

Mrs. Rukmini Badjatia, Non-Executive Director was appointed on the Board of the Company on 18th January, 2017 in Compliance of Section 152 of the Companies act, 2013. He is member of Audit Committee and Nomination and Remuneration Committee of the Board.

In terms of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015-

“No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.”

She has attained the age of 75 Years and as per the requirements of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Special resolution needs to be passed seeking the approval of the Shareholders for continuation of her directorship in the Company.

The Board is of the opinion that the continued valuable contribution of Mrs. Rukmini Badjatia could be of great use for your Company. She posses required expertise as a non-executive director. She has experience in the Company for last 5 years. Her opinion and suggestions in the past have proven to be beneficial to the Company.

Other than Mrs. Rukmini Badjatia and Mr. Sandeep Badjatia, None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the above resolution.

Item No. 5:

Mr. Vijai Singh Bharaktiya, Non-Executive Director was appointed on the Board of the Company on 06th December, 2012 in Compliance of Section 152 of the Companies act, 2013. He is member of Audit Committee, Nomination and Remuneration Committee and Investor Grievance Committee of the Board.

In terms of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015-

“No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.”



She has attained the age of 75 Years and as per the requirements of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Special resolution needs to be passed seeking the approval of the Shareholders for continuation of her directorship in the Company. The Board is of the opinion that the continued valuable contribution of Mr. Vijay Singh Bharaktiya could be of great use for your Company. She possesses required expertise as a non-executive director. She has experience in the Company for last 9.8 years. Her opinion and suggestions in the past have proven to be beneficial to the Company.

Other than Mr. Vijay Singh Bharaktiya. None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the above resolution.

Item No. 6:

The Board of Director of the company has approved the remuneration payable to Mr. Umesh Nambiar subject to approval of the Members of the Company in the ensuing Annual General Meeting to be held in 2022 for a period of three years up to 31st March 2024.

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

During the financial year ended March 31, 2022, the profits of the Company may not be adequate due to COVID impact and therefore the remuneration payable to the Wholetime Director would exceed the limits prescribed under the relevant provisions of the Companies Act, 2013.

It may be noted that the remuneration proposed to be paid to Mr. Umesh Nambiar is same as was approved by the members of the Company at their 27th AGM.

Other than Mr. Umesh Nambiar, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested in the above Resolution.

Item No. 7:

The Board of Director of the company has approved the remuneration payable to Mr. Deepak Pagnis subject to approval of the Members of the Company in the ensuing Annual General Meeting to be held in 2022 for a period of three years up to 31st March 2024.

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

During the financial year ended March 31, 2022, the profits of the Company may not be adequate due to COVID impact and therefore the remuneration payable to the Wholetime Director would exceed the limits prescribed under the relevant provisions of the Companies Act, 2013.

It may be noted that the remuneration proposed to be paid to Mr. Umesh Nambiar is same as was approved by the members of the Company at their 27th AGM.

Other than Mr. Deepak Pagnis, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested in the above Resolution.

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

**Regd Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 02nd September, 2022**

**Sd/-
(UMESH NAMBIAR)
Wholetime Director
DIN: 02566355**

Director's Report

**To,
The Members,**

Your directors have pleasure in presenting their Thirty First (31st) Annual Report on the business and operations of the company together with the Audited Financial Statement of Accounts for the year ended 31st March, 2022.

1. Financial summary and Highlights:

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

Particulars	(In Rupees)	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Total Income	10,48,39,204	75,716,040
Total Expenditure	10,22,22,820	75,182,107
Profit/(Loss) before Exceptional and extra ordinary item and taxation	26,16,384	533,933
Extra ordinary item	-	-
Profit Before tax	26,16,384	533,933
Less: Tax Expense:	4,08,156	83,300
Tax Adjustment of earlier year	0	122,460
Deferred Tax Assets	(1,35,651)	(80,251)
Profit/(Loss) after tax	23,43,879	4,08,424

2. Dividend:

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

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

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. COVID19 is significantly impacting business operation of the companies, resulting in significant reduction in economic activities of the Company.

During the year under review the Company has achieved the net sales of Rs. 10,26,92,544/- (previous year 75,583,083/-) and a Net Profit of Rs. 23,43,879/- (previous year Rs. 4,08,424/-). 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. 23,43,879/- has been transferred to Reserves and Surplus in the Balance Sheet.

5. Changes in Share Capital, If Any:

Authorized Share Capital:

There was no change in the Authorised Share Capital of the Company during the Financial 2021-22. The Authorised Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crore only) divided into 60,00,000 (Sixty Lac) Equity Share of Rs.10 /-each .

Issued, Subscribed and Paid Up Share Capital:

The issued, Subscribed and Paid up share Capital of the Company is Rs. 4,99,12,000/- (Rupees Four Crore Ninety Nine Lacs Twelve Thousands Only) divided into 49,91,200 (Fourty Nine Lacs Ninety One Thousands and Two Hundred Only). During the year no further issue or bonus issue was brought by 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.

9. Annual Return:

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 for the financial year ended March 31, 2022 is put up on the Company's website and can be accessed at paragfans.com

10. Management Discussion and Analysis:

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

11. Number of Board Meetings:

During the Financial Year 2021-22 (11) meetings of the Board of Directors of the company were held.

S.NO	DATE OF BOARD MEETING
01.	10/04/2021
02.	30/06/2021
03.	01/07/2021
04.	12/07/2021
05	20/08/2021
06	24/08/2021
07	01/09/2021
08	13/09/2021
09	12/10/2021
10	13/11/2021
11	11/02/2022

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

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013.

13. Particulars of Contracts or Arrangements with Related Parties:

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

14. Directors and Key Managerial Personnel:

As on March 31, 2021, the Company has Six Directors. Out of which three are Non-Executive Director and three are Executive Director and Independent Director.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Deepak Pagnis (holding DIN 02566436), 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.



Mrs. Dipali Lunawat has resigned from the post of Company Secretary and Compliance Officer of the company dated 08th July, 2021 and the Company has appointed Ms. Maya Vishwakarma (meb no. 62556) as Company Secretary and Compliance Officer of the Company dated 12th October 2021 and She was resigned on 06th July 2022.

As per the requirements of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Mr. Surendrakumar Badjatia, Non-Executive Director of the Company has attained the age of 75 Years and a Special resolution to be passed seeking the approval of the Shareholders for continuation of his directorship in the Company at the ensuing Annual General Meeting.

As per the requirements of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Mrs. Rukmini Badjatia, Non-Executive Director of the Company has attained the age of 75 Years and a Special resolution to be passed seeking the approval of the Shareholders for continuation of his directorship in the Company at the ensuing Annual General Meeting.

As per the requirements of regulation 17(1A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Mr. Vijai Singh Bharaktiya, Non-Executive Director of the Company has attained the age of 75 Years and a Special resolution to be passed seeking the approval of the Shareholders for continuation of his directorship in the Company at the ensuing Annual General Meeting.

The Board consists of the following directors namely:

DIN NO	NAME	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION
00979809	Mr. Sandeep Surendra Kumar Badjatia	Director	10.12.2008	-
02566355	Mr. Umesh Nambiar	Whole Time Director	04.02.2009	-
02566436	Mr. Deepak Pagnis	Whole Time Director	04.02.2009	-
00017285	Mr. Vijai Singh Bharkatiya	Non Executive Director and Independent Director	06.12.2012	-
07501398	Mr. Surendra Kumar Badjatia	Non Executive Director	18.01.2017	-
07501462	Mrs. Rukmini Badjatia	Non Executive Director	18.01.2017	-
ACQPT4590E	Mr. Gajendra Madhukar Takwale	CFO(KMP)	01/09/2014	-
AHCPL0289R	Mrs. Dipali Lunawat	Company Secretary	05/02/2018	08/07/2021
AMKPV5721D	Ms. Maya Vishwakarma	Company Secretary	12/10/2021	06/07/2022

15. Auditors and their Report:

Board of Directors has appointed M/s Ashok Pahawa & Co., Chartered Accountant, (Firm Registration No. 009710C), as the statutory auditor of the company for the period of five years to hold office i.e. until the conclusion of the Annual General Meeting of the Company held in year 2024 as per the provisions of the Companies Act, 2013. In this regard the Company has received eligibility certificate from the Auditors in accordance with the provisions of section 141 of the Companies Act, 2013. Their appointment is subject to ratification by the Members at every subsequent Annual General Meeting held after the AGM held on 30th September, 2019. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 07th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification of the Members for continuance of their appointment at this Annual General Meeting is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as

Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

The report given by M/s Ashok Pahawa & Co., Chartered Accountant, Statutory Auditors on financial statements of the Company for Financial Year 2021-2022 is part of the Annual Report. The comments on statement of accounts referred to in the report of the Auditors are self explanatory.

The Auditor report for the year ended on 31st March, 2022 has some remarks and your Director was given the following explanations/clarifications on Auditors Remarks

1. During the course of our audit, details of the Capital Work in progress amounting Rs 68.99 Lacs were not made available to us (as per explanatory note to Note 2).

Board Remarks

The Company was being taken over by the Board of Director of the company and this figure is continue and Board of Director has approached to the previous management for giving the details about the same.

2. During the course of our audit, documents related to DSIR project grant amounting to Rs. 20.00 Lacs were not made available to us.

Board Remarks

The Company was being taken over by the Board of Director of the company and this figure is continue and Board of Director has approached to the previous management for giving the details about the same.

3. Certain balances of loans, other financial assets, trade receivables, other current & non-current assets, Trade payables, other financial liabilities and other current liabilities have not been confirmed (as per explanatory note to Note 3).

Board Remarks

The Company has sent the letter for balance Confirmation from the respective parties as soon as Company will receive the same, Company will provide the same in due course.

4. During the course of our audit, documents related to dispute with parties having debit balance of trade receivable against export sale in earlier year not realized and party hold certain amount were not made available to us.

Board Remarks

The Company has approach to the various parties for recovery of the amount however due to the financial impact of the Covid-19, party has assured to clear the dues and also Company has in earlier year approached to NCLT under Insolvency and Bankruptcee Code 2016 for recovery of the same, However company could not succeed. Directors are taking every efforts to recover the same.

5. In case of Non current investment physical certificate as well as demate account is not available with the company but as explained to us the company received dividend from investment in earlier year hence the company decided to carry the balances in books (as per explanatory note to Note 4).

Board Remarks

The Company was being taken over by the Board of Director of the company and this figure is continue and Board of Director has approached to the previous management for giving the details about the same.

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

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

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

a) Technology Absorption: Nil

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

b) Foreign Exchange Earnings/ Outgo:

Earnings	0
Outgo	0

17. Details of Subsidiary, Joint Venture or Associates: NA

18. Risk Management:

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

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

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

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

There are no material changes occurring after 31 March, 2022 which may affect the financial position of the Company.

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

22. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements:

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

23. Deposits:

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

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

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

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



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

26. Internal Auditor

M/s G.P. DEODHAR & CO., Chartered accountants is appointed as an Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2021-22, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit function, Company undertakes corrective action in their respective areas and thereby strengthens the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and accordingly implementation has been carried out by the Company.

27. Cost Auditors: NA

28. Secretarial Auditor & Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Neelesh Gupta & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report in Form MR-3 for the financial year under review, as received from Mr. Neelesh Gupta, Practicing Company Secretary is attached as an Annexure to the Board's Report.

Comments from the Secretarial Auditor

The Secretarial Audit Report for the year ended on 31st March, 2022 has some remarks:

1. The Company has failed to maintain the adequate mixture of the Independent Directors, Company has not appointed independent Directors as per requirement of Section 149 of the Companies act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, so Company has not proper Composition of Board of Directors and Audit Committee as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. And Company has all non – executive directors beyond the age of seventy-five years and no Special resolution passed for the same, therefore Company has also not complied Regulation 17(1A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

Board Remark:

Provision of the corporate governance not applicable on the company, however the company is in process to appoint the Independent Director and a Special resolution to be passed seeking the approval of the Shareholders for continuation of directorship of all non –executive directors in the Company at the ensuing Annual General Meeting.

2. We further report that Unaudited results for the quarter ended 30th June, 2021 which were required to be submitted on or before 14th August, 2021 was submitted on 20th August, 2021 pursuant to regulation 33 (3) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with delay of 6 days

Board Remark:

The Company has submitted the financial results on 20th August, 2021 and complied with regulation 33 (3) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with delay of 6 days. Delay was due to the Covid-19.

29. Corporate Social Responsibility (CSR) Policy: NA

30. Corporate Governance:

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

31. Committees of the Board:

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

Audit Committee:

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

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

The Audit Committee comprises of the following Directors of the Company as on 31st March, 2022.

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

During the financial year 2021-22, 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
30.06.2021	Dewas	3	3
20.08.2021	Dewas	3	3
13.09.2021	Dewas	3	3
11.02.2022	Dewas	3	3

32. Nomination & Remuneration Committee:

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

The Nomination and Remuneration Committee comprises of the following Directors of the Company as on 31st March, 2022.

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 2021-22, there was total 2 meeting of the remuneration committee of the Company. Details regarding the date, venue, strength of the Nomination & Remuneration 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
20.08.2021	Dewas	3	3
12.10.2021	Dewas	3	3

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

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

34. Board Diversity

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

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

35. Code of Conduct

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

36. Secretarial Standards of ICSI

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

37. Green Initiatives

Electronic copies of the Annual Report 2021-22 and the Notice of the 31st Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s).

38. Investor Education and Protection Fund (IEPF)

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

39. Disclosure on Establishment of a Vigil Mechanism:

In the financial year 2021-2022, pursuant to the provision of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The mechanism ensures adequate safeguard against victimization of person who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

40. Managerial Remuneration

During the year 2021-22 your company has paid remuneration of Rs. 15,44,880/- to the following Directors:

S.No.	Name	Designation	Amount
1.	Umesh Nambiar	Wholetime Director	7,72,440
2.	Deepak Pagnis	Wholetime Director	7,72,440

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

During the Year 2021-22 Company has not received any complaint, which is appreciable as the management of the company endeavor efforts to provide safe environment for the female employees of the company.

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

43.The Details of Application Made or any Proceeding Pending under the Insolvency And Bankruptcy Code, 2016 (31 of 2016):

No application has been made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year to which this financials relates.

44. The Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking Loan from the Banks or Financial Institutions along With the reasons thereof:

The Company has not undertaken any one-time settlement and hence there was no need to undertake valuation also for the same.

45. 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, 2022 of the Companies Act, 2013, your directors confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit /loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

46. Particulars of Employees:

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

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

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

47. Acknowledgment:

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

Place: Dewas
Date: 02.09.2022

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

Sd/-
DEEPAK PAGNIS
DIRECTOR
(DIN: 02566436)

Sd/-
UMESH NAMBIAR
DIRECTOR
(DIN: 02566355)

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

(i) Industry structure and developments:

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

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

(ii) Concerns:

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

(iii) Outlook:

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

(iv) Internal Control Systems and their adequacy:

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

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

(v) Human relations:

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

The company has an elaborate performance evaluation system in place involving goal setting, and periodic reviews involving confirmation and annual reviews. The review sessions impress upon several aspects of the professionals careers such as career and competency development, financial rewards and recognition. We endeavor to link careers to competencies, individual preferences and organizational needs.

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

(vi) Safety:

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

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

(vii) Environment friendly operations:

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

(viii) Cautionary Statement:

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

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

**Place: Dewas
Date: 02.09.2022**

**Sd/-
UMESH NAMBIAR
DIRECTOR
(DIN: 02566355)**

Annexure-II

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount

Place: Dewas
Date: 02.09.2022

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

Sd/-
DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

Sd/-
UMESH NAMBIAR
DIRECTOR
DIN: 02566355

Annexure-III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014]

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

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

Company's Board of Directors is responsible for the matters of Compliances of the various provisions of the Companies Act, 2013 and other applicable laws. Our responsibility to conduct the audit of the Compliances made during the year upon test check basis, we have adopted such methods and procedure and based on our verification of the **PARAG FANS AND COOLING SYSTEMS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the company has, during the audit period covering the **financial year ended 31st March, 2022** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as there was no reportable event during the financial year under review;**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as there was no reportable event during the financial year under review;**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from Stock Exchange during the financial year under review;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**

as there was no reportable event during the financial year under review;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;

(vi) The Company has informed that there are no laws which are specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India Limited. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc., mentioned above.

We further report that:

The Board of Directors of the Company is constituted with substantially proper balance of Executive Directors and Non-Executive Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. The re-appointment of Mr. SANDEEP SURENDRAKUMAR BADJATIA (holding DIN 00979809) as a Director of the Company was carried out in compliance with the provisions of the Act.

However the Company has failed to maintain the adequate mixture of the Independent Directors, Company has not appointed independent Directors as per requirement of Section 149 of the Companies act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, so Company has not proper Composition of Board of Directors and Audit Committee as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. And Company has all non –executive directors beyond the age of seventy-five years and no Special resolution passed for the same, therefore Company has also not complied Regulation 17(1A) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

We further report that Unaudited results for the quarter ended 30th June, 2021 which were required to be submitted on or before 14th August, 2021 was submitted on 20th August, 2021 pursuant to regulation 33 (3) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with delay of 6 days

We further report that the Board of Director of the company has approved the remuneration payable to Mr. Umesh Nambiar and Mr. Deepak Pagnis, Wholetime Director of the company in its board meeting held on 12/10/2021 subject to approval of the Members of the Company in the ensuing Annual General Meeting to be held in the year 2022 for a period of three years from 01st April, 2021 to 31st March 2024. There is no any increase in the remuneration, all terms and conditions remain same.

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

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

We further report that:

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

We further report that:-

During the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Change in Company Secretary and Compliance Officer of the Company:

Company Secretary and Compliance Officer of the Company Mrs. Dipali Lunawat (Mem no. 50108) has resigned from the post on 08th July, 2021.

And on 12th October, 2021 Company has appointed Ms. Maya Vishwakarma (Mem no. 62556) as Company Secretary and Compliance Officer of the Company.

Date:17/08/2022

Place: Indore

UDIN: F006381D000802418

For Neelesh Gupta & Co.,
Company Secretaries

Sd/-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Company has accepted interest free unsecured loans from Directors of the Company and sister concerns of the one of the director of the Company.

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

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

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

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

Date:17/08/2022

Place: Indore

**For Neelesh Gupta & Co.,
Company Secretaries**

**Sd/-
CS. Neelesh Gupta
Proprietor
C.P. No.6846**

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

i. Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2021-22, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2021-22.

S. No.	Name of the Director/Key Managerial Personnel(KMP) and Designation	Remuneration of Director/ KMP for the financial year 2021-22 (Including Non-Executive Independent Director)	Remuneration of Director/ KMP for the financial year 2020-21	% increase (decrease) in remuneration in the financial year 2021-22	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. Sandeep Badjatia Director	-	-	-	
2.	Mr. Umesh Nambiar Whole Time Director	772440	695938	(5.5%)	45.79
3.	Mr. Deepak Pagnis Whole Time Director	772440	695938	(5.5%)	45.79
4.	Mr. Vijai Singh Bharkatiya Non-Executive Independent Director	21000	21000	-	1.38:1
5.	Mr. Surendra Kumar Badjatia Non-Executive Independent Director	-	-	-	
6.	Mrs. Rukmini Badjatia Non-Executive Independent Director	-	-	-	
7.	Mr. Gajendra Madhukar Takwale Chief Financial Officer	528000	475933	9.4%	31.2:1
8.	Mrs. Dipali Lunawat and Ms. Maya Vishwakarma Company Secretary	772440	695938	-	

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

As stated above in item no (I).

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

Median Remuneration 2021-22	Median Remuneration 2020-21	% Increase in the Median Remuneration



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

As on 31st March, 2022 the total number of employees on the roll was 40.

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

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: the detail is as provided above.
- vi. Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the company.

Place: Dewas
Date: 02.09.2022

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

Sd/-
DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

Sd/-
UMESH NAMBIAR
DIRECTOR
DIN: 02566355

**PARAG FANS AND COOLING SYSTEMS
LIMITED**

(CIN: - U51102MP1991PLC006760)

**AUDIT REPORT
FINANCIAL YEAR
2021-2022**

AUDITORS

**A K P S & CO
Chartered Accountants
Indore
9425060686, 8109032532**

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF

PARAG FANS AND COOLING SYSTEMS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **PARAG FANS AND COOLING SYSTEMS LIMITED** ('the Company'), which comprise the balance sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its Profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. During the course of our audit, details of the Capital Work in progress amounting Rs 68.99 Lacs were not made available to us (as per explanatory note to Note 2).
2. During the course of our audit, documents related to DSIR project grant amounting to Rs. 20.00 Lacs were not made available to us.
3. Certain balances of loans, other financial assets, trade receivables, other current & non-current assets, Trade payables, other financial liabilities and other current liabilities have not been confirmed (as per explanatory note to Note 3).
4. During the course of our audit, documents related to dispute with parties having debit balance of trade receivable against export sale in earlier year not realized and party hold certain amount were not made available to us.
5. In case of Non current investment physical certificate as well as demate account is not available with the company but as explained to us the company received dividend from investment in earlier year hence the company decided to carry the balances in books (as per explanatory note to Note 4).

Emphasis of Matter

Consequential impact on confirmation / reconciliation / adjustment of such balances (which will not be material as per management), if any is not ascertainable;

Our opinion is not qualified in respect of the above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

That Board of Directors is also responsible for overseeing the Company’s financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high

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level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;

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-
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e. On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has an appeal pending with Income tax department as per note no. 19 attached with the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **A K P S & COMPANY**
Chartered Accountants
FRN: 009710C

Place: Indore
Date: 30th May, 2022

CA Dr. Ashok Pahwa
Partner
M No-077665
UDIN No- 22077665AKLKXB4062

PARAG FANS AND COOLING SYSTEMS LIMITED

ANNEXURE - A TO THE AUDITOR'S REPORT

For the year 2021-22

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Parag Fans and Cooling Systems Limited of even date)

(i) PROPERTY, PLANT AND EQUIPMENTS:

- a) The company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- b) As explained to us, property, plant and equipment of the company have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material 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 standalone financial statements are in the name of Company.

(ii) INVENTORY:

- a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw material were physically verified at regular intervals by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification of stocks as compared to book records.

(iii) LOANS, SECURED OR UNSECURED, GRANTED OR TAKEN BY THE COMPANY TO/FROM THE FIRMS OR OTHER PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTION 189 OF THE COMPANIES ACT, 2013:

The Company has complied with the relevant requirements for maintenance of Register as per Section 189 of the Act.

(iv) LOANS, INVESTMENTS, GUARANTEES AND SECURITY:

In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

The company has entered into transactions with sister concerns of the company, the details of which are as follows:

Name of Party	Relation	Balance Amount as on March 31, 2022	Nature
Impact Fans and Cooling Systems Limited	Sister Concern	2,76,90,712.00	Trade Receivable

(v) ACCEPTANCE OF DEPOSITS FROM PUBLIC:

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

(vi) MAINTENANCE OF COST RECORDS:

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

(vii) STATUTORY DUES:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) 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 March 31, 2022 for a period of more than six months from the date they became payable the details of which are as follows:

Particulars	Amount (In Rs.)
Profession Tax	2,28,358/-
Sales tax Payable	1,34,216/-

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2022 on account of dispute are given below :

Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which amount relates
Central Sales Tax	CST	1,53,801/-	Financial Year 2009-10
Central Sales Tax	CST	3,20,631/-	Financial Year 2011-12
MP Vat	VAT	81,300/-	Financial Year 2011-12
Central Sales Tax	Entry Tax	139/-	Financial Year 2013-14
MP VAT	VAT	2,35,500/-	Financial Year 2013-14
Entry Tax	Entry Tax	52,650/-	Financial Year 2013-14
Central Sales Tax	CST	3,40,781/-	Financial Year 2014-15
Income Tax, 1961	Income Tax	25,92,624/-	Financial Year 2015-16
Income Tax, 1961	Penalty U/s 271(1)(c)	5,65,315/-	Financial Year 2009-10
Income Tax, 1961	Intimation U/s 143(1a)	2,15,970/-	Financial Year 2016-17
Income Tax, 1961	TDS late filing fee U/s 234E of Income Tax Act	1,71,728/-	Financial Years 2006-07 to 2018-19
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,04,869/-	Financial Years 2021-22

(viii) REPAYMENT OF DUES TO A FINANCIAL INSTITUTION:

According to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks and financial institutions. The Company has not taken any loan from the government and has not issued any debentures.

(ix) APPLICATION OF TERM LOAN/ MONEY RAISED

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) but convert preference shares into equity shares during the year according to the terms of issue. Further In our opinion and according to the information and explanations provided by the management the Company has utilized the money raised by way of term loans for the purposes for which they were raised.

(x) FRAUD ON/BY THE COMPANY:

During the course of our examination of the books and record of the company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the company by its officers or Employees, noticed or reported during the year..

(xi) MANAGERIAL REMUNERATION:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) COMPLIANCE WITH SPECIAL STATUTE FOR CHIT FUNDS/NIDHI:

The company is not a chit funds/nidhi/mutual benefit fund/ society. Therefore, provision of Para 3 Clause (xii) is not applicable to the company.

(xiii) RELATED PARTY TRANSACTIONS:

According to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) ALLOTMENT OF PREFERENCE SHARES/ PRIVATE PLACEMENTS:

Based upon the audit procedures performed and the information and explanations given by the management, the company has converted preferential shares into equity share at par. Accordingly, the provisions of clause 3 (XIV) of the Order have been complied by the company.

According to the information and explanations given to us and as evident from the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures during the year.

(xv) NON CASH TRANSACTIONS:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) REGISTRATION:

According to the information and explanation given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: INDORE
Date: 30th May, 2022

For: **A K P S & Co.**
CHARTERED ACCOUNTANTS
Firm Registration No.: 009710C

(CA Dr. ASHOK PAHWA)
PARTNER
M. No. 077665
UDIN No- 22077665AKLKXB4062

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (f) under ‘Report on other Legal and Regulatory Requirements’ section of our report to the Members of Parag Fans and Cooling Systems Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 at March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 of the Company 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 ICAI 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 control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial 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 ICAI.

Place: Indore
Date: 30th May, 2022

For: **A K P S & COMPANY**
Chartered Accountants
FRN: 009710C

CA Dr. Ashok Pahwa
Partner
M No-077665
UDIN No- 22077665AKLKXB4062

Parag Fans And Cooling Systems Limited

Balance Sheet

As On 31-Mar-2022

(Amount in Rupee)

S. No.	Particulars	Notes	As On 31-Mar-2022	As On 31-Mar-2021
ASSETS				
Non-Current Asset				
a	Property, Plant and Equipment	1	5,308,129	6,138,576
b	Capital Work In Progress	2	6,899,607	6,899,607
c	Financial Assets	3	1,808,434	1,808,434
d	Investments	4	20,050	20,050
e	Other Non Current Assets	9	4,065,124	4,166,515
	Deferred Tax Asset (Net)	14	562,137	426,486
Current Assets				
a	Inventories	5	48,342,311	37,641,410
b	Financial Assets	3	-	-
c	Trade Receivable	6	68,694,419	70,925,871
d	Cash & Cash Equivalent	7	1,688,904	76,112
e	Other Bank Balances	8	2,901,819	2,733,621
f	Other Current Assets	9	-	580
Total Assets			140,290,934	130,837,261
EQUITY & LIABILITIES				
Equity				
a	Equity Share Capital	10	49,912,000	49,912,000
b	Other Equity	11	(9,522,149)	(11,796,630)
Non-Current Liabilities				
Financial Liabilities				
a	Borrowings	12	10,646,591	9,801,989
b	Trade Payables	13	382,056	382,056
c	Other Current Liabilities	16	2,686,795	2,380,852
	Deferred Tax Liability (Net)	14	-	-
Current Liabilities				
a	Borrowings	12	48,597,714	49,084,897
b	Trade Payables	13	34,534,320	28,458,284
c	Other Current Liabilities	15	3,053,607	2,613,813
Total Assets			140,290,934	130,837,261

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

AS PER OUR REPORT OF EVEN DATE

FOR A K P S & CO.
CHARTERED ACCOUNTANTS
FRN-009710CSURENDRAKUMAR BADJATIA DEEPAK PAGNIS
DIRECTOR DIRECTOR
DIN: 07501398 DIN: 02566436CA (DR)ASHOK PAHWA
PARTNER
Mem No.077665Place : Dewas
Date : 30-05-2022Place : Indore
Date : 30-05-2022

Parag Fans And Cooling Systems Limited

Statement Of Profit and Loss

For period ended on 31-Mar-2022

(Amount in Rupee)

S. No.	Particulars	Notes	Period ending on 31-Mar-2022	Period ending on 31-Mar-2021
Income				
a	Revenue from Operations	16	102,692,544	75,583,083
b	Other income	17	2,146,660	132,957
Total Income			104,839,204	75,716,040
Expenses				
a	Cost of Material Consumed	18	84,954,803	47,698,304
b	Changes in Inventories of Finished Goods & Work - In - Progress	19	(6,355,310)	6,922,800
c	Employee benefits expense	20	10,953,841	9,759,023
d	Finance costs	21	6,714,496	6,284,405
e	Depreciation and amortisation expense	1	894,272	1,055,382
f	Other expenses	22	5,060,719	3,462,193
Total Expenses			102,222,820	75,182,107
Profit/(Loss) before exceptional item and tax			2,616,384	533,933
Exceptional item (Net of Tax)			-	-
Profit/(Loss) Before Tax			2,616,384	533,933
Tax Expense				
a	Current Tax Expense		408,156	83,300
b	Tax Adjustment of earlier year		0	122,460
C	Deferred Tax		(135,651)	(80,251)
Profit/(Loss) for the Year			2,343,879	408,424
Other Comprehensive Income				
Items That Will Not Be Reclassified to Profit and Loss			(69,398)	198,876
Tax on OCI items			-	-
Items That Will Be Reclassified to Profit and Loss			-	-
Total Comprehensive Income/(Loss)			-69,398	198,876
Earnings Per Share of Rs 10 each fully paid				
Basic			0.47	0.09
Diluted			0.47	0.09
Notes to Financial Statements		1-25		
Significant Accounting Policies		24		

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

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR A K P S & CO.
CHARTERED ACCOUNTANTS
FRN-009710C

SURENDRAKUMAR BADJATIA

DEEPAK PAGNIS

CA (DR)ASHOK PAHWA

DIRECTOR

DIRECTOR

PARTNER

DIN: 07501398

DIN: 02566436

M. No.077665

Place : Dewas

Place : Indore

Date : 30-05-2022

Date : 30-05-2022

Parag Fans And Cooling Systems Limited
Statement of Cash Flow
For Period Ended on 31-Mar-2022

(Amount in Rupee)

S. No	Particulars	2021-22	2020-21
I	Cash Flow From Operating Activity		
	Net Profit / (Loss) After Tax	2,343,879	408,424
	<u>Adjustments for</u>		
	Depreciation and Amortisation	894,272	1,055,382
	Finance Costs	6,714,496	6,284,405
	Interest Income	(188,675)	(89,299)
	Creditors Write Back	0	0
	Deferred Tax	(135,651)	(80,251)
	Other Comprehensive Income	(69,398)	198,876
	Operating profit / (loss) before working capital changes	9,558,923	7,777,537
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	(10,700,901)	3,707,922
	Financial Assets	0	0
	Trade Receivable	2,231,452	(8,764,596)
	Other Bank Balances	(168,198)	(80,898)
	Other Current Assets	101,971	299,128
	Adjustments for increase / (decrease) in operating liabilities		
	Trade Payables	6,076,036	(2,133,410)
	Other Current Liabilities	745,737	(1,283,888)
	Net cash flow from / (used in) operating Activities (A)	7,845,020	(478,204)
II	Cash Flow From Investing Activity		
	Investment in Capital Expenditure	(63,825)	(19,160)
	Net cash flow from / (used in) Investing Activities (B)	(63,825)	(19,160)
III	Cash Flow From Financing Activity		
	Proceeds From Equity Shares / Preference Shares	0	0
	Proceeds From Borrowings	357,419	6,651,697
	Finance Cost	(6,714,496)	(6,284,405)
	Interest Income	188,675	89,299
	Net cash flow from / (used in) Financing Activities (C)	(6,168,403)	456,591
D	Net increase / decrease in cash & cash equivalent (A+B+C)	1,612,792	(40,773)
E	Cash & Cash Equivalent at the Beginning of Year	76,112	116,884
	Cash & Cash Equivalent at the End of Year (D+E)	1,688,904	76,112

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

AS PER OUR REPORT OF EVEN DATE
FOR A K P S & CO.
CHARTERED ACCOUNTANTS
FRN-009710C

SURENDRAKUMAR BADJATIA DEEPAK PAGNIS
DIRECTOR DIRECTOR
DIN: 07501398 DIN: 02566436
Place : Dewas
Date : 30-05-2022

CA (DR)ASHOK PAHWA
PARTNER
Mem No.077665
Place : Indore
Date : 30-05-2022

Auditors Certificate
To,
The Board of Directors,
Parag Fans & Cooling Systems Limited

We have examined the attached Cash Flow Statement of Parag Fans & Cooling Systems Limited for the year ended as on 31st March 2022. The statement has been prepared by the Company in accordance with the requirement of Accounting Standard and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report of 30th May 2022 to the member of the company.

For A K P S & Company
Chartered Accountants
FRN- 009710C

Place : Indore
Date : 30-05-2022

CA Dr. Ashok Pahwa
Partner
M. No. 077665

Parag Fans & Cooling Systems Limited

Statement of Changes in Equity

For year ended on 31-Mar-2022

A. Equity Share Capital

(Amount in Rupee)

Particulars	31/03/2022	31/03/2021
Balance at the beginning for the year	49,912,000	43,912,000
Changes in Capital During the Year	-	6,000,000
Balance at the end of the year	49,912,000	49,912,000

(Including Preference share converted into equity shares of Rs NIL during the year (previous year 6,000,000))

B. Other Equity

(Amount in Rupee)

Particulars	DSIR Project	Security Premium	Preference Share Capital	Retained earnings	Total Other Equity
Closing balance as on 31-March-2020	2,000,000	24,687,000	6,000,000	(39,090,930)	(6,403,930)
Addition / Reduction during the year	-	-	(6,000,000)	-	(6,000,000)
Profit/ (Loss) for the Year	-	-	-	408,423	408,423
Other Comprehensive reserve	-	-	-	198,876	198,876
Closing balance as on 31-March-2021	2,000,000	24,687,000	-	(38,483,629)	(11,796,630)
Addition / Reduction during the year	-	-	-	-	-
Profit/ (Loss) for the Year	-	-	-	2,343,879	2,343,879
Other Comprehensive reserve	-	-	-	(69,398)	(69,398)
Closing balance as on 31-March-2022	2,000,000	24,687,000	-	(36,209,148)	(9,522,149)

Parag Fans And Cooling Systems Limited

Balance Sheet as on 31-Mar-2022

1. Property, Plant and Equipment

(Amount in Rupee)

Particulars	Gross Carrying Value			Accumulated Depreciation & Amortization			Net carrying amount as on	
	As on 1-Apr-2021	Additions During the Year	As on 31-Mar-2022	Upto 1-Apr-2021	Depreciation During the Year	Upto 31-Mar-2022	31/03/2022	31/03/2021
Land	457,983	-	457,983	-	-	-	457,983	457,983
Previous Year	457,983	-	457,983	-	-	-	457,983	457,983
Building	15,320,608	-	15,320,608	12,692,325	375,582	13,067,907	2,252,701	2,628,283
Previous Year	15,320,608	-	15,320,608	12,254,124	438,201	12,692,325	2,628,283	3,066,484
Site Development	807,895	-	807,895	726,029	17,184	743,213	64,682	81,866
Previous Year	807,895	-	807,895	704,280	21,749	726,029	81,866	103,615
Plant & Machinery	41,536,907	-	41,536,907	39,001,136	459,228	39,460,364	2,076,543	2,535,771
Previous Year	41,536,907	-	41,536,907	38,440,350	560,786	39,001,136	2,535,771	3,096,557
Computers & Printers	121,534	33,825	155,359	102,168	16,764	118,932	36,427	19,366
Previous Year	102,374	19,160	121,534	81,167	21,001	102,168	19,366	21,207
Furniture & Fixtures	1,591,558	-	1,591,558	1,511,980	0	1,511,980	79,578	79,578
Previous Year	1,591,558	-	1,591,558	1,544,428	(32,448)	1,511,980	79,578	47,130
Office Equipments	251,825	30,000	281,825	195,424	25,514	220,938	60,887	56,401
Previous Year	251,825	-	251,825	149,331	46,093	195,424	56,401	102,494
Vehicles	5,584,860	-	5,584,860	5,305,531	-	5,305,531	279,329	279,329
Previous Year	5,584,860	-	5,584,860	5,305,531	-	5,305,531	279,329	279,329
Total	65,673,170	63,825	65,736,995	59,534,594	894,272	60,428,866	5,308,129	6,138,576
Previous Year	65,654,010	19,160	65,673,170	58,479,212	1,055,382	59,534,594	6,138,576	7,174,798

Parag Fans And Cooling Systems Limited

Balance Sheet as on 31-Mar-2022

2. Capital Work In Progress

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
DSIR Project	6,899,607	6,899,607
Total	6,899,607	6,899,607

Explanatory Notes:

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

3. Financial Assets

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	Non-Current	Current	Non-Current	Current
Compensation - Pankaj Bhargava	1,808,434	-	1,808,434	-
Total	1,808,434	-	1,808,434	-

Explanatory Note:

Details regarding Compensation receivable from Pankaj Bhargava along with documentary evidence is not available with the company and the management has decided to carry the balance as it is.

4. Investments

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	Non-Current	Current	Non-Current	Current
Shares				
State Bank of India	2050	-	2050	-
Bank of India	18,000	-	18,000	-
Total	20,050	-	20,050	-

Explanatory Note:

Details regarding physical certificate as well as demat account is not available with the company but the company received dividend from investment in earlier year hence the company decided to carry the balances in books.

5. Inventories

(as physically verified by the management)

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
Raw Material	8,575,161	4,229,570
Finished Goods & WIP	39,767,150	33,411,840
Total	48,342,311	37,641,410

6. Trade Receivable (net)

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
Considered Good (Less Than Six Months)		
Domestic Sales		
More Than Six Months	9,479,000	11,732,193
Less Than Six Months	48,075,745	32,389,482
(Including Related party receivable of Rs 27690712, PY Rs 26339774)		
Export Sales		
More Than Six Months	6,778,812	19,301,681
Less Than Six Months	4,360,863	7,502,515
Others-Advance to Creditors	-	-
Total	68,694,419	70,925,871

Explanatory Note:

Their is certain dispute with parties in earlier year having debit balance of trade receivable against export sale not realized and party hold certain amount and now the management believes that such amount is recoverable as dispute resolved hence no provision against such receivable made and decided to carry the balance at year end exchange rate.

7. Cash & Cash Equivalent

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
Cash In Hand	490,308	20,491
(as physically verified by the management)		
In Banks	1,198,596	55,621
Total	1,688,904	76,112

8. Other Bank Balances

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
Bank Deposit for BG	2,901,819	2,733,621
Total	2,901,819	2,733,621

9. Other Non Current / Current Assets

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	Non-Current	Current	Non-Current	Current
Prepaid Bank Charges	-	-	-	-
Short Term Loans & Advances				
Credit Card	-	-	-	-
Advance to Employees	-	-	-	580
Director Current Account	-	-	-	-
Appeal Deposit				
Appeal Deposit - Sales Tax	1,273,305	-	1,257,925	-
Excise and Service Tax	100,000	-	-	-
Income Tax	573,156	-	573,156	-
Deposit With Tax Authorities				
TDS	450,683	-	363,691	-
CGST & SGST	1,622,303	-	1,326,067	-
Security Deposit				
Others	-	-	600,000	-
Utilities	45,676	-	45,676	-
Total	4,065,124	-	4,166,515	580

10. Equity Share Capital

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	No. Of Shares	Amount	No. Of Shares	Amount
Authorised Share Capital (Rs. 10 / Share)	5,600,000	56,000,000	5,600,000	56,000,000
Issued, Subscribed and Fully Paid Par Value Per Share (Rs. 10)	4,991,200	49,912,000	4,991,200	49,912,000

Reconciliation of No. Of Shares & Share Capital Outstanding;	As on 31-Mar-2022		As on 31-Mar-2021	
	No. Of Shares	Amount	No. Of Shares	Amount
Opening Share Capital	4,991,200	49,912,000	4,391,200	43,912,000
Add: No. of Share, Share Capital Issued/Subscribed during the Year	-	-	600,000	6,000,000
Closing Share Capital	4,991,200	49,912,000	4,991,200	49,912,000

Shares in the Company held by Shareholder holding more than 5%	As on 31-Mar-2022		As on 31-Mar-2021	
	No. Of Shares	% Holding	No. Of Shares	% Holding
Sandeep Badjatia	2,347,799.00	47.04%	2,347,799.00	47.04%
Impact Projects & Consultants Pvt. Ltd.	665,971.00	13.34%	665,971.00	13.34%
Impact fans & Cooling system Pvt Ltd	400,000.00	8.01%	400,000.00	8.01%
Dinesh Seetha	287,000.00	5.75%	287,000.00	5.75%
Priyanka Fincap Pvt. Ltd.	254,800.00	5.10%	254,800.00	5.10%
Vimal Sodhani	452,250.00	9.06%	452,250.00	9.06%
Total	4,407,820.00	88.31%	4,407,820.00	88.31%

11. Other Equity As on 31-Mar-2022

Particulars	DSIR Project	Security Premium	Preference Share Capital	Retained earnings	Total Other Equity
Balance as on 31-March-2020	2,000,000	24,687,000	6,000,000	(39,090,930)	(6,403,930)
Addition / Reduction during the year	-	-	(6,000,000)	-	(6,000,000)
Profit/ (Loss) for the Year	-	-	-	408,423	408,423
Other Comprehensive reserve	-	-	-	198,876	198,876
Closing balance as on 31-March-2021	2,000,000	24,687,000	-	(38,483,630)	(11,796,630)
Addition / Reduction during the year	-	-	-	-	-
Profit/ (Loss) for the Year	-	-	-	2,343,879	2,343,879
Other Comprehensive reserve	-	-	-	(69,398)	(69,398)
Closing balance as on 31-March-2022	2,000,000	24,687,000	-	(36,209,149)	(9,522,149)

Explanatory Notes:

Details regarding DSIR Project is not available with us

12. Borrowings

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	Non-Current	Current	Non-Current	Current
Term Loan - From Banks	10,422,187	17,500,000	9,513,293	17,500,000
Term Loan - Others	224,404	13,597,714	288,696	13,519,325
Bank - Cash Credit	-	17,500,000	-	18,065,572
Total	10,646,591	48,597,714	9,801,989	49,084,897

Notes:

Bank of India Term Loan

- Nature :- Secured Loan
Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use
Repayment :- Interest monthly/ Principal Quarterly
Period/Interest :- 48 months / 11.50%
Security :- Mortgage of Fixed Assets Comprising Lease hold land, Plant & machinery and Building shed constructed.
Hypothecation of Stocks and Book Debts

National Small Industries Corporation Limited - Term Loan Others

- Nature :- Secured Loan
Purpose :- Procurement of Raw Material namely-Resin, Roving, Woven Roving, C.S.M., Hardener, Acceleter, Pigments etc.
Period/Interest :- Repayment upto 90 days/ 12.95%
Repayment between 90 days to 270 days/ 12.95%+0.75% of every cycle of 90 days
Repayment after 271 days/ 12.95%+1% of every cycle of 90 days
Security :- Bank Guarantee of INR 130 lacs

Unsecured Loan from Directors and Associated concern - Term Loan Others

(Considered as Interest free)

Sr. No.	Name of Related parties	Relationship	Opening Balance	Closing Balance (Rs.)
1	Mr. Sandeep Badjatia	Director	-	-
2	Impact Fans and Cooling Systems Ltd	Sister Concern	-	-

Bank of India Cash Credit Limit

- Nature :- Secured Loan
Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use
Repayment :- Demand loan
Period/Interest :- 48 months / 11.50%
Security :- Mortgage of Fixed Assets Comprising Lease hold land, Plant & machinery and Building shed constructed.
Hypothecation of Stocks and Book Debts

13. Trade Payables (net)

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	Non-Current	Current	Non-Current	Current
For Consultancy	-	901,218	-	876,814
For Job Work	-	1,840,278	-	853,709
For Materials	-	26,150,733	-	22,588,245
For Service	-	567,776	-	759,720
For Transportation	-	4,492,356	-	2,368,160
For Miscellaneous / (Receivable)	382,056	581,960	382,056	1,011,637
Advance From Debtors	-	-	-	-
Total	382,056	34,534,320	382,056	28,458,284

@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

14. Deferred Tax (Net)

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
Opening Deferred Tax Asset	(426,486)	(346,235)
Current Year Timing Difference	(135,651)	(80,251)
Total Deferred tax Liability/(Asset)	(562,137)	(426,486)

15. Other Current Liabilities

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	Non-Current	Current	Non-Current	Current
Statutory Dues Payable				
Employee Related	-	181,877	-	593,558
CGST & SGST	-	-	-	-
Sales Tax / (Receivable)	-	134,216	-	134,216
TDS	-	292,659	-	315,227
Income Tax Payable	-	388,106	-	83,300
Provision for gratuity	2,664,795	176,203	2,317,852	156,426
Expenses Payable				
Director's Sitting Fees	22,000	-	63,000	1,000
Salary Payable	-	839,726	-	881,833
Tour Expenses - Employee / (Receivable)	-	1,040,820	-	448,253
Electricity expenses Payable	-	-	-	-
Total	2,686,795	3,053,607	2,380,852	2,613,813

16. Revenue From Operations

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
Fan Sales		
Domestic	755,000	-
Export	18,640,627	24,640,873
SEZ	472,500	-
IGST Sales	81,288,117	50,862,210
Less: Sales Return	-	-
Packing & Forwarding	1,536,300	80,000
Total	102,692,544	75,583,083

17. Other Income

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
Consultancy Income	160,000	43,650
Repair to FRP Fan Blade	290,000	-
<u>Interest Income</u>		
MPSEB	1,787	1,841
Deposit with bank	186,888	87,458
Creditors written back	-1	-
Prior period item (Income) (NET)	-	-
Discount on Purchase	1,090	-
Foreign Exchange Gain	1,506,903	-
ROUND OFF	-7	8
Total	2,146,660	132,957

18. Cost of Material Consumed

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
Opening Stock of RM	4,229,570	1,014,692
Add:		
Purchases		
Manufacturing	59,434,572	29,662,966
Electrical	73,868	106,414
Packing & Forwarding	1,227,889	1,045,081
Manufacturing Expenses		
Job Work Charges	21,204,695	15,968,824
Transporation	6,557,359	3,188,692
Rent	480,000	480,000
Other Expenses	39,851	212,424
Power & Fuel	282,160	248,781
Less:		
Closing Stock of RM	8,575,161	4,229,570
Total	84,954,803	47,698,304

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

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
Closing Stock Of Finished Goods & Work In Progress	39,767,150	33,411,840
Opening Stock Of Finished Goods & Work In Progress	33,411,840	40,334,640
Total	(6,355,310)	6,922,800

20. Employee benefits expense

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
Salaries & Wages	8,724,342	7,655,797
Welfare Expense	33,902	23,278
Bonus	353,395	402,070
Gratuity	297,322	286,002
Director Remuneration	1,544,880	1,391,876
Total	10,953,841	9,759,023

21. Finance costs

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
Interest Expense	5,042,534	4,953,529
Commission & Other Charges	1,671,962	1,330,876
Total	6,714,496	6,284,405

22. Other Expenses

Particulars	For Period Ending 31-Mar-2022	For Period Ending 31-Mar-2021
<u>Administrative Expense</u>		
Professional & Consultancy		
Internal Audit fees	-	25,000
Consultancy Charges	15,000	-
Legal Fees	843,429	476,060
Travelling Exp	2,074,106	362,553
Business Promotion	164,373	50,306
Repairs & Maintenance	176,564	172,751
Accounts written off	-	41,458
Prior period item	631,618	6,365
Foreign Exchange Loss	-	599,305
Duties, Rates & Taxes	51,710	12,462
Insurance Expenses	112,759	135,288
Discount	61,765	114,487
Miscellaneous Expense	749,395	1,226,158
<u>Payment to Auditor</u>		
Audit Fees	75,000	75,000
Tax audit fees	25,000	25,000
Consultancy	-	60,000
GST Audit	80,000	80,000
Total	5,060,719	3,462,193

Parag Fans And Cooling Systems Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2022

Note 23. FAIR VALUE MEASUREMENTS

a) Financial instruments by category

PARTICULARS	March,31, 2022			March,31, 2021		
	FVOCI	Amortised Cost	Cost	FVOCI	Amortised Cost	Cost
Financial Assets						
Investments	20,050	-		20,050	580	
Loans		-			580	
Trade Receivable		68,694,419			70,925,871	
Cash and cash equivalents		1,688,904			76,112	
Other Current Financial Assets		2,901,819			2,733,621	
Total	20,050	73,285,142	-	20,050	73,736,184	-
Financial Liabilities						
Borrowings		59,244,305			58,886,886	
Trade Payables		34,916,376			28,840,341	
Other current financial liabilities		3,053,607			2,613,813	
Total	-	97,214,288	-	-	90,341,040	-

FAIR VALUE HIERARCHY

(a) This section explain the judgements and estimates made in determining the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value. The Company has classified its financial instruments into the three levels prescribed under the accounting standard

Financial assets and liabilities measured at fair value

PARTICULARS	March,31, 2022			March,31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	20,050		-	20,050		-
Loans			-			580
Trade receivable			68,694,419			70,925,871
Cash and Cash Equivalents			1,688,904			76,112
Others Financial assets			2,901,819			2,733,621
Financial Liabilities						
Short term burrowings			59,244,305			58,886,886
Trade Payable			34,916,376			28,840,341
Other financial liabilities			3,053,607			2,613,813

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments includes:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All the resulting fair value estimates are included in level 2 or level 3, where the fair value have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Parag Fans And Cooling Systems Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2022

Fair value Estimations

Estimated fair value disclosures of financial instruments are made in accordance with the requirements of Ind AS 107 "Financial Instruments:Disclosure" Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in a arm's length trasaction other than in forced or liquidation sale. As no readily available market exists for a large part of the Company's Financial instruments, judgement is necessary in arriving at fair value, based on current economic conditions and specific risk atributable to the instrument. The estimates presented herein are not necessarily indicative of the amount the Company could realise in a market exchange from the sale of its full holding or a particular instrument.

Dividend/Interest-bearing investments

Fair value is calculate based on discounted expected future principles and interest cash flows. The carrying amount on the Company's investment are valued at fair value on the basis of fair market rate with reference to the investment with similar credit risk level and maturity period at the reporting date.

Trade & other receivable / Payables

The management assessed that Trade Receivables, Cash and Cash equivalents, Bank Balances, Deposits, other non derivative current financial assets, Short term borrowings, Trade payables, Non derivative Current Financial Liabilities approximate their carring amount largely due to the short-term maturities of these intruments.

There are no transfers between level 1 and level 2 during the year

As per our Report of Even Date

FOR A K P S & CO.

Chartered Accountants

FRN-009710C

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

CA (DR)ASHOK PAHWA

PARTNER

Mem No.077665

SURENDRA KUMAR BADJATIA

Director

DIN: 07501398

DEEPAK PAGNIS

Director

DIN: 02566436

Place : Indore

Date : 30-05-2022

(Company Secretary)

Date : 30-05-2022

Parag Fans & Cooling Systems Limited

24A. Corporate Information

Parag Fans and Cooling Systems Limited (“the Company”) is a listed entity incorporated in India. The registered office of the company is located at Plot no. 1/2B & 1B/3A, Industrial Area no. 1, A.B. Road, Dewas – 455 001 (MP), India.

The company is engaged in manufacturing of High-Efficiency Axial Flow FRP (Fibre Glass Reinforced Plastic) Fans and other related components.

24B. Significant Accounting Policies

Basis of preparation of Financial Statement

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial assets and liabilities which are measured at fair value (disclosed through the explanatory notes wherever applicable), the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Ind AS 115 Revenue from Contracts with Customers became mandatory for reporting periods beginning on or after 01 April 2019 replaces the existing revenue recognition standards. The Company has applied the Cumulative Catch-Up approach and accordingly has included the impact of Ind AS 115 applicable to the Financial Statements.

With effect from 1st April, 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of ‘Right-of-Use’ asset with a corresponding Lease Liability in the Balance Sheet.

Summary of Significant Accounting Policies

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

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

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

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

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

Depreciation on Property, plant and equipment is provided using written down value method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II;

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

Intangible assets

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

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

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

Leases

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

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

Company as a Lessee

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

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

Company as a Lessor

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

Finance cost

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

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

Impairment of Non-Financial Assets

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

Non-Current Assets Held for Sale

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

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

Research and Development Expenditure

Revenue expenditure pertaining to research is charged to Statement of Profit and Loss. Development costs of product are charged to Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalized.

Inventories

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

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

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

Revenue recognition

Revenue from contract with customer's against sale of goods, Consultancy contracts and its related provision of services.

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

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

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

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

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

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

Sale of goods

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

Interest income

Interest income is recognised on accrual basis.

Dividend Income

Dividend income is recognised as and when company's right to receive the amount has been established.

Foreign Currency Translation

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

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

Measurement of foreign currency item at the Balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currency are translated using the closing rate and Non monetary items are not reinstated on reporting date.

Exchange differences

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

Employee benefits

a) Short Term Employee benefits

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

b) Defined contribution plans

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

Defined benefit plan –.The Company pays gratuity to the employees who have completed five years of service at the time of resignation / superannuation.

Tax expenses

Current tax

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty

that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

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

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

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

Earnings per Share

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

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

Provisions, contingent liabilities and capital commitments

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

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

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

Cash and cash equivalents

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

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

Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value

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

Financials assets carried at amortised cost

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

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

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

Financial assets at fair value through other comprehensive income

Financial asset is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on

specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through profit or loss

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

De-Recognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent Measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

De-Recognition

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

Government Grants

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Global Health Pandemic COVID-19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic

slowdown. COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24th March, 2021, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3rd May, 2021 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. Further, during March 2021/April 2021, there has been significant volatility in oil prices, resulting in uncertainty and reduction in oil prices.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

Significant accounting judgements, estimates and assumptions

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

Judgements

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

Estimates and assumptions

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

Standards issued but not effective

The Company has applied the Companies (Indian Accounting Standards), Amendment Rules 2019 which is effective from 01 April 2019, while preparing the restated Ind AS financial statements.

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

For: A K P S & Co
Chartered Accountants
(Firm Registration No. 009710C)

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

Dr Ashok Kumar Pahwa

Partner

M. No. 077665

Surendra kumar Badjatia

Director

DIN: 07501398

Deepak Pagnis

Director

DIN: 02566436

Place: Indore

Date: 30/05/2022

Place: Dewas

Date: 30/05/2022

Form No. MGT-11**Proxy**

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

CIN : **U51102MP1991PLC006760**

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

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

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

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

1. Name:Address:..... Email Id:..... Signature:.....

or failing him/her

2. Name:Address:..... Email Id:..... Signature:.....

or failing him/her

3. Name:Address:..... Email Id:..... Signature:.....

or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Monday 26th September 2022 at 4:00 p.m. at 1/2 & 1B/3A Industrial Area No. 1, A B Road, Dewas, MP 455001 India and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution Type	Description	For	Against
1.	Ordinary Resolution	To receive and adopt the Audited Financial Statement of the Company for the financial year ended on 31 st March, 2022 and the report of the Directors & Auditors thereon.		
2.	Ordinary Resolution	To appoint a director in place of Mr. DEEPAK PAGNIS (holding DIN 02566436), who retires by rotation and being eligible offers himself for re-appointment.		
3.	Special Resolution	To take the consent of Member that Mr. Surendra Kumar Badjatia (holding DIN : 07501398) to continue to hold office of Non- executive Director of the Company and he already crossed the 75 years of Age.		
4.	Special Resolution	To take the consent of Member that Mrs. Rukmini Badjatia (holding DIN : 07501462) to continue to hold office of Non- executive Director of the Company and he already crossed the 75 years of Age.		
5.	Special Resolution	To take the consent of Member that Mr. Vijay Singh Bharaktiya (holding DIN : 00017285) to continue to		



PARAG

		hold office of Non- executive Director of the Company and he already crossed the 75 years of Age.		
6.	Special Resolution	To approve the remuneration payable to Mr. Umesh Nambiar (holding DIN : 02566355) which may exceed the 5% of the Net profits of the company according to Section 197 and Schedule V of the Act.		
7.	Special Resolution	To approve the remuneration payable to Mr. Deepak Pagnis (holding DIN : 02566436) which may exceed the 5% of the Net profits of the company according to Section 197 and Schedule V of the Act.		

Signed this..... day of.....
Signature of Shareholder.....
Signature of Proxy holder(s).....

Affix Rs.1
Revenue
Stamp

Notes:

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



ATTENDANCE SLIP

(To be presented at the entrance)

I/We hereby record my/our presence at the Thirty First Annual General Meeting of the Company to be held on Monday, September 26, 2022 at 4:00 p.m. at registered office Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP).

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

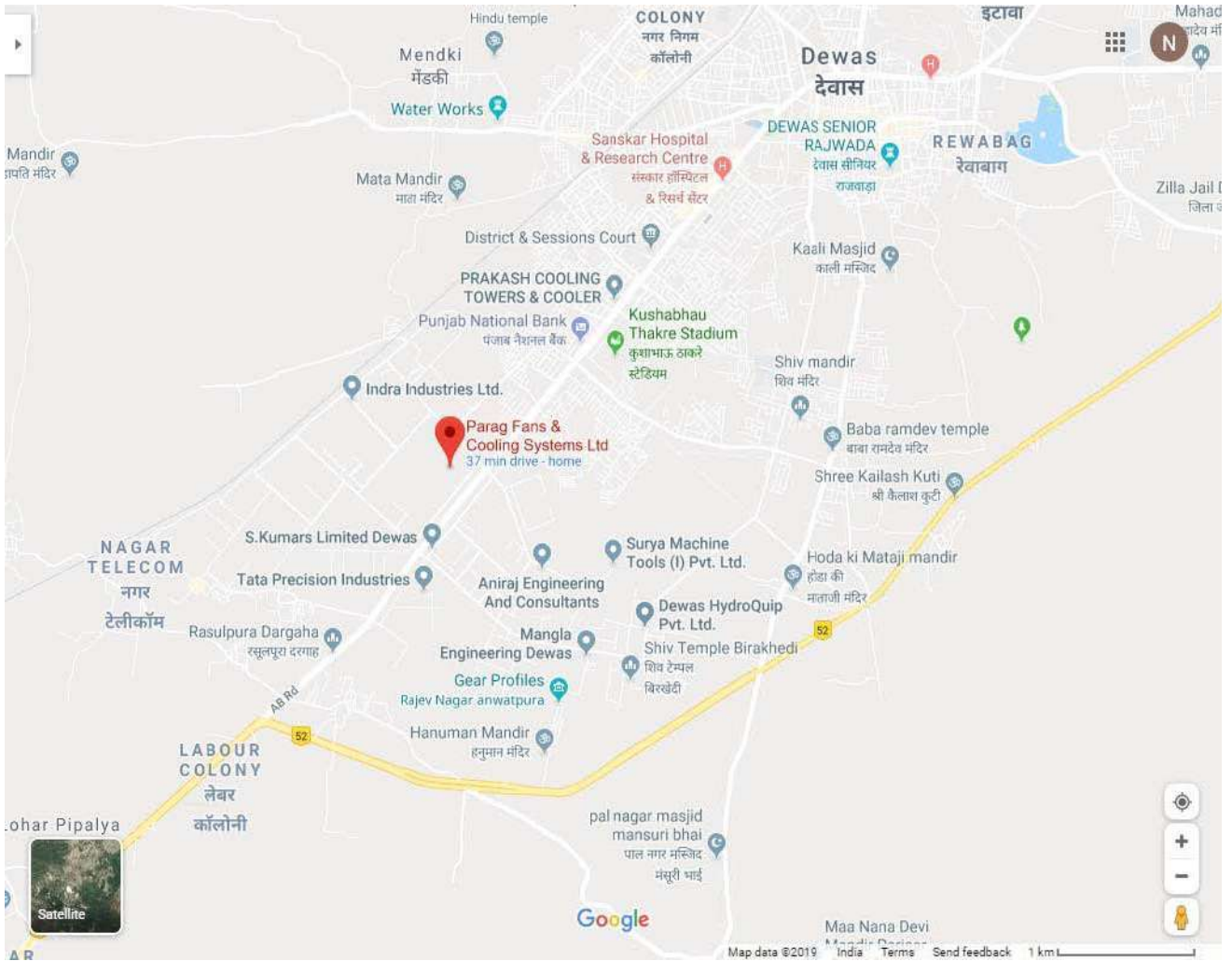
Name of the Member _____ Signature

Name of the Proxy holder _____ Signature

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

.....

Route Map to the venue of AGM



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