



**PARAG
FANS & COOLING
SYSTEMS LTD.**

CIN : U51102MP1991PLC006760

Date: 31.05.2025

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 34th Annual Report along with notice of Annual General Meeting to be held on Thursday, 26th June, 2025 at 10:00 A.M at the Registered Office of 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 Requirement) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

Pursuant to provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We are submitting herewith Annual Report of Parag Fans And Cooling Systems Limited for the F.Y. 2024-25 along with Notice of 34th Annual General Meeting to be held on Thursday, 26th June, 2025 at 10:00 A.M at Registered office situated at Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (M.P.)

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, any amendment made thereon the Company is offering e-voting facility to its members in respect of the businesses to be transacted at Annual General Meeting. The cut-off date (i.e. the record date) for the purpose of e-voting is Thursday, 19th June, 2025.

Annual Report of the company for the financial year 2024-25 is also available on the website of the Company i.e <https://paragfans.com/annual-reports/>

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


Umesh Nambiar
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 to 117 Fax: 91-7272-, 400273,
E-mail: info@paragfans.com
Website: www.paragfans.com

Annual Report 2024-2025



Leading
Manufacturer of
Energy Efficient
Axial Flow
FRP Fans

PARAG FANS & COOLING SYSTEMS LTD.



Since 1987

CORPORATE INFORMATION

Board of Directors

Executive Directors:

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

Non-Executive Directors:

Mr. Surendra Kumar Badjatia
Ms. Neelam Tanwani
Ms. Pooja Sangoi
Ms. Vaishali Rathod

Chief Financial Officer

Mr. Gajendra Madhukar Takwale

Company Secretary

Ms. Pooja Chauhan

Internal Auditor

M/s N H Variava & 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

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

Registered 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 web: www.paragfans.com email: info@paragfans.com

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NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of the company shall be held on **Thursday, 26th June 2025 at 10:00 A.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. Adoption of Audited Standalone and Consolidated Financial Statements along with the Reports of the Board of Directors and of the Statutory Auditors thereon

To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and of the Statutory Auditors thereon, and in this regard, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and of the Statutory Auditors thereon be and are hereby received, considered, and adopted.”

2. To appoint a director in place of Mr. Surendrakumar Badjatia, Non-Executive Director (DIN:07501398) 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. Surendra kumar Badjatia (DIN:07501398), Non-Executive Director, who retires by rotation from the Board of Directors and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company and whose office shall be liable to retire by rotation.

3. Re-appointment of Statutory Auditors of the Company

To re-appoint M/s. AKPS & Co, Chartered Accountants (ICAI Firm Registration No. 0097100) as Statutory Auditors of the Company to hold office for a second term for period of one year from the conclusion of this Annual General Meeting until the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2029 and to fix their remuneration. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2024 and other applicable rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. AKPS & Co, Chartered, Chartered Accountants (ICAI Firm Registration No. 0097100) be and are hereby re-appointed as the Statutory Auditors of the Company for a second term to hold office for a period of four years from the conclusion of this Annual General Meeting (‘AGM’) till the conclusion of the 38th AGM of the Company to be held in the year 2029.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (or any Committee thereof) be and is hereby authorized to fix remuneration of the Statutory Auditors and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

4. To Regularize the appointment of Ms. Pooja Atul Sangoi (DIN: 07411546) as the Non-Executive Independent Director of the company for period of five years

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, **Ms. Pooja Atul Sangoi (DIN: 07411546)** who was appointed as an additional director of the Company by the Board of Directors with effect from 26TH March, 2025, in terms of section 161 (1) of the Companies Act, 2013 and whose term of office expires at the date of this Annual General Meeting, proposing the candidature of **Ms. Pooja Atul Sangoi (DIN: 07411546)** for the office of Independent Director, be and is hereby 26th March, 2025 to 25th March 2030 with the period of office not liable to retire by rotation.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do needful to give effect to this resolution.”

5. To Regularize the appointment of of Ms. Vaishali Rathod (DIN: 08488641) as the Non-Executive Independent Director of the company for period of five years

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and pursuant to Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, **Ms. Vaishali Rathod (DIN: 08488641)** who was appointed as an additional director of the Company by the Board of Directors with effect from 26TH March, 2025, in terms of section 161 (1) of the Companies Act, 2013 and whose term of office expires at the date of this Annual General Meeting, proposing the candidature of **Ms. Vaishali Rathod (DIN : 08488641)** for the office of Independent Director, be and is hereby 26th February, 2025 to 25th February 2030 with the period of office not liable to retire by rotation.”

“RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do needful to give effect to this resolution.”

6. Appointment of Secretarial Auditors of the Company

To appoint M/s. NPG & Co., Company Secretaries as Secretarial Auditor of the Company to hold office for a first term for period of five year from the conclusion of this Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company to be held in the year 2030 and to fix their remuneration. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Section 204(1) of the Companies Act 2013 rule 9 of the companies (Appointment and Remuneration personnel) Rules 2014 and other applicable provisions if any of the Companies Act 2013, Consent of the Board be and is hereby given for appointment of M/s NPG & Co., Company Secretaries to be appointed as Secretarial Auditors of the Company at a remuneration as may be fixed by the Board of Directors at a later stage.

“RESOLVED FURTHER THAT appointment letter has been placed before the Board and same has been approved by the board and signed by the chairman of the board for the purpose of appointment of M/s NPG & Co., Company Secretaries as Secretarial Auditors of the Company for a period of five years

“RESOLVED FURTHER THAT the Board of Directors of the Company (or any Committee thereof) be and is hereby authorized to fix remuneration of the Statutory Auditors and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office and Works:

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By Order of the Board
PARAG FANS AND COOLING SYSTEMS LIMITED

Registered Office:

Plot No. 1/2 & 1B/3A
Industrial Area No. 1
AB Road, Dewas (M.P) 455001
Date: 30th May 2025

Sd/-
(UMESH NAMBIAR)
Whole Time 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 Friday, 20th June 2025 to Thursday, 26th June 2025 (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 to enable the Company to answer their question satisfactorily.

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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. up to 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 2024-25, circulated to the Members of the Company, is available on the Company's website viz. www.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 2024-25 will also be available on the company website www.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.

INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

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- (i) The voting period begins on, Monday 23rd June, 2025 at 9.00 a.m. and ends on Wednesday, 25th June, 2025 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 Saturday day, 17th May, 2025 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.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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 abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

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Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<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 users to login to Easi/ Easiest are requested to visit cdsi website www.cdsiindia.com and click on login icon & New System Myeasi Tab. 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, 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 cdsi website www.cdsiindia.com and click on login & New System Myeasi Tab and then click on registration option. 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.cdsiindia.com home page. 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 Depository	<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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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

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	<p>'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.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>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.</p>

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 toll free no. 1800 21 09911
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: 022- 4886 7000 or 022- 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) **Login method for Remote e-Voting 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,

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- 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (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 <Company Name> 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.

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- (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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) 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 “Corporates” 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in Favor 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 mandatory 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 e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

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 at toll free no. 1800 21 09911

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EXHIBIT TO NOTICE

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

Name of Director	Mr. Surendra kumar Badjatia	Ms. Vaishali Rathod	Ms. Pooja Atul Sangoi
Date of Birth and Age	January 6, 1942 (83 Years)	August 3, 1983 (42 Years)	March 10, 1993 (32 Years)
Qualification	Graduate in B.E.	Company Secretary by profession and Graduate	Company Secretary by profession and Graduate
Date of Appointment	18/01/2017	26/02/2025	26/02/2025
Directorships held in other Companies as on 31st March, 2025	1. Impact Fans & Cooling Systems Limited 2. Impact Projects And Consultants Private Limited	NA	NA
Chairman/ Member of the Committees As on 31st March, 2025	Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee	Audit Committee Nomination & Remuneration Committee Stakeholders Relationship Committee	NA
Number of Equity Shares held in the Company	NA	NA	NA

By Order of the Board
PARAG FANS AND COOLING SYSTEMS LIMITED

Registered Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 30th May, 2025

Sd/-
(UMESH NAMBIAR)
Wholtime Director
DIN: 02566355

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

Item No.4:

Ms. Pooja Atul Sangoi (DIN: 07411546) was appointed as an Additional Director (independent) by the Board of Directors with Effect from 26th February 2025 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms.Pooja Atul Sangoi (DIN: 07411546) will hold office up to the date of the ensuing Annual General Meeting. The Company has received from Ms. Pooja Atul Sangoi (DIN: 07411546) (i) consent in writing to act as director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub- section (6) of Section 149 of the Companies Act, 2013., Ms. Pooja

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Atul Sangoi (DIN: 07411546) 42 years, is a Bachelor's in Commerce from Mumbai University, Mumbai and Associate member of The Institute of Company Secretaries of India (ICSI).

The matter regarding appointment of Ms. Pooja Atul Sangoi (DIN: 07411546) as an Additional Director was placed before the Nomination and Remuneration Committee and it has recommended her appointment. The resolution seeks the approval of members for the appointment of Ms. Pooja Atul Sangoi (DIN: 07411546) as an Independent Director of the Company for 5 consecutive years i.e. from 26th February 2025 to 25th February, 2030 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation. In the opinion of the Board of Directors, Ms. Pooja Atul Sangoi (DIN: 07411546) the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and for the approval of the members.

No director, key managerial personnel or their relatives, except Ms. Pooja Atul Sangoi (DIN: 07411546) whom the resolution relates, is interested or concerned in the resolution no. 4

Item No.5:

Ms. Vaishali Rathod (DIN: 08488641) was appointed as an Additional Director (independent) by the Board of Directors with Effect from 26th February, 2025 pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Vaishali Rathod (DIN: 08488641) will hold office up to the date of the ensuing Annual General Meeting. The Company has received from Ms. Vaishali Rathod (DIN: 08488641) (i) consent in writing to act as director in Form DIR- 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub- section (6) of Section 149 of the Companies Act, 2013., Ms. Vaishali Rathod (DIN: 08488641) 42 years, is a Bachelor's in Commerce from Mumbai University, Mumbai and Associate member of The Institute of Company Secretaries of India (ICSI).

The matter regarding appointment of Ms. Vaishali Rathod (DIN: 08488641) as an Additional Director was placed before the Nomination and Remuneration Committee and it has recommended her appointment. The resolution seeks the approval of members for the appointment of Ms. Vaishali Rathod (DIN: 08488641) as an Independent Director of the Company for 5 consecutive years i.e. from 26th February 2025 to 25th February, 2030 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation. In the opinion of the Board of Directors, Ms. Vaishali Rathod (DIN: 08488641) the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and for the approval of the members.

No director, key managerial personnel or their relatives, except Ms. Vaishali Rathod (DIN: 08488641) whom the resolution relates, is interested or concerned in the resolution no. 5.

Item 6.:

To appoint M/s. NPG & Co, Company Secretaries as Secretarial Auditor of the Company to hold office for a first term for period of one year from the conclusion of this Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company to be held in the year 2030 and to fix their remuneration. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

pursuant to the provision of Section 204(1) of the Companies Act 2013 rule 9 of the companies (Appointment and Remuneration personnel) Rules 2014 and other applicable provisions if any of the Companies Act 2013, Consent of the Board be and is hereby given for appointment of M/s NPG & Co., Company Secretaries to be appointed as Secretarial Auditors of the Company at a remuneration as may be fixed by the Board of Directors at a later stage.

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The Board of Directors of the Company (or any Committee thereof) be and is hereby authorized to fix remuneration of the Statutory Auditors and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution."

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

**Registered Office:
Plot No. 1/2 & 1B/3A,
Industrial Area No. 1,
AB Road, Dewas (M.P) 455001
Date: 30th May, 2025**

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

Registered Office and Works:

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Director's Report

To,
The Members,

Your directors have pleasure in presenting their Thirty Four (34th) Annual Report on the business and operations of the company together with the Audited Financial Statement of Accounts for the year ended 31st March, 2025.

It is with great pride that we share our company's outstanding performance for the year, marked by an impressive 25% revenue growth. This achievement reflects our strategic focus on innovation, operational efficiency, and customer satisfaction, which have solidified our position as a market leader. As we look to the future, our outlook is exceptionally bright, fueled by emerging opportunities in new markets, a robust product pipeline, and a talented team ready to drive our vision forward. We are confident that our continued investment in cutting-edge solutions and strategic partnerships will propel us to even greater heights in the coming years.

We are making great progress in building and acquiring new technologies and business opportunities and the company expects to grow multi-fold in near and long term.

1. Financial summary and Highlights:

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

(In Rupees)

	Standalone		Consolidated	
Particulars	Year ended 31 st March, 2025	Year ended 31 st March, 2024	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Total Income	190,461,609	149,519,132	191,638,568	0.00
Total Expenditure	193,765,308	146,288,502	190,678,816	0.00
Profit/(Loss) before Exceptional and extra- ordinary item and taxation	-3,303,699	3,230,630	959,751	0.00
Extra-ordinary item	8,447,921	-	8,447,921	0.00
Profit Before tax	5,144,222	32,30,630	9,407,672	0.00
Less:				
Tax Expense:	12,50,000	6,00,000	2,295,000	0.00
Tax Adjustment of earlier year:	(55,327)	(170,676)	126,080	0.00
Deferred Tax Assets	82,579	39,165	82,579	0.00
Profit/(Loss) after tax	3,866,970	2,762,141	6,904,013	0.00

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The Board of Directors of your company, after considering the relevant circumstances holistically 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.

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

During the Financial year 2024-25 under review the Company has achieve the net sales of Rs. 18,51,40,955/- (previous year 14,82,33,340/- and a Net Profit of Rs. 38,66,970/- (previous year Rs. 27,62,141 /-).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 continued success and growth in the years to come.

3. Summary of Sales of previous three years:

Year	Sales (Rs)	Change in % in Sales
2022-23	12,29,39,897	-
2023-24	14,82,33,340	20.57%
2024-25	18,51,40,954	25.00%

4. Transfer to Reserve and Surplus:

The amount of surplus of Profit and Loss account of Rs. 38,66,970/- 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 Authorized Share Capital of the Company during the Financial 2024-25.

The Authorised Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crore Only) divided ;into 1,10,00,000 (One Crore Ten Lakhs) Equity Shares of Rs. 10/- (Rupee Ten only) each and 10,00,000 (Ten Lakhs) Preference shares of Rs. 10/- (Rupee Ten only) each.

6. Issued, Subscribed and Paid Up Share Capital:

The Issued, Subscribed and Paid up Share Capital of the Company has been increased from existing capital of Rs. 5,59,12,000/- (Rupees Five Crore Fifty Nine Lakhs Twelve Thousands Only) divided into 55,,91,200 (Fifty Five Lakhs Ninety One Thousand Twelve Hundred Only) Equity Shares of Rs.10/- (Rupees Ten Only) each to 10,89,12,000/- (Rupees Ten Crore Eighty Nine Lakhs Twelve Thousands Only) divided into 1,08,91,200 (One Crore Eighty Lakhs Ninety One Thousand Two Hundred Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.

The Board of Directors of the Company, at its meeting held on March 05, 2024 had approved a proposal to issue Equity shares and Compulsory convertible Preference Shares (CCPSs) on the basis of preferential issue. Accordingly, the Company proposed to issue and allot:

By way of Preferential Allotment, Company issued on March 30, 2024 and allotted on August 27, 2024, 44,60,000 (Forty Four Lakhs Sixty Thousand) Equity Shares of Face value Rs. 10/- (Rupees Ten only) aggregating to Rs. 4,46,00,000 and 8,40,000 (Eight Lakhs Forty Thousand) Compulsory Convertible Preference Shares ("CCPSs") of Face value Rs. 10/- (Rupees Ten only) aggregating to Rs. 84,00,000 to the promoter and non-promoter of the Company in lieu of swap of shares of Impact Fans And Cooling Systems Limited.

During the year no further issue or bonus issue was brought by company.

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

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

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8. Disclosure Regarding Issue of Employee Stock Options:

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

9. Disclosure Regarding Issue of Sweat Equity Shares:

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

10. Annual Return:

Pursuant to Section 134(3)(a) of the Act, the Annual Report referred to in Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year ended March 31, 2024, is available on the Company's website at <https://www.paragfans.com/annual-return>.

11. Management Discussion and Analysis:

A Separate report on Management Discussion and Analysis is annexed to this report as Annexure-V

12. Number of Board Meetings:

During the Financial Year 2024-25, Six (6) meetings of the Board of Directors of the company were held.

SR.NO	DATE OF BOARD MEETING
01.	29/05/2024
02.	14/08/2024
03.	27/08/2024
04.	14/11/2024
05.	10/02/2025
06	26/02/2025

13.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.

14. 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.

15. Directors and Key Managerial Personnel:

As on March 31, 2025, the Company has Seven Directors on the Board. Out of which Three (3) are Executive Director, One (1) is Non-Executive Non Independent Director and Three (3) are Non-Executive Independent Directors including Woman 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.

Ms Vaishali Rathod (DIN: 08488641) and Ms. Pooja Atul Sangoi (DIN : 07411546) both have appointed as an additional director under the category of Non-Executive Independent Director of the company w.e.f. February 26, 2025.

The Board consists of the following directors namely:

DIN NO	NAME	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION
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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	-
07501398	Mr. Surendra Kumar Badjatia	Non-Executive Non Independent Director	18.01.2017	-
10146348	Ms. Neelam Tanwani	Non-Executive Independent Director	30.05.2023	
08488641	Ms. Vaishali Rathod	Non-Executive Independent Director	26.02.2025	
07411546	Ms. Pooja Atul Sangoi	Non-Executive Independent Director	26.02.2025	-
ACQPT4590E	Mr. Gajendra Madhukar Takwale	CFO(KMP)	01.09.2014	-
AQOPC9875H	Ms. Pooja Chauhan	Company Secretary	06.12.2022	-

16. Auditors and their Report:

Board of Directors has appointed M/s Ashok Pahwa & 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 2025 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 being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their second term of 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 Pahwa & Co. Chartered Accountant, Statutory Auditors on financial statements of the Company for Financial Year 2024-2025 is part of the Annual Report. The comments on statement of accounts referred to in the report of the Auditors are self explanatory.

17. 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	

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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	USD 656,135
Outgo	USD 240,000

18. Details of Subsidiary, Joint Venture or Associates:

The company has one wholly owned subsidiary Company named Impact Fans And Cooling Systems Limited, which is engaged in the business of FRP Fans. Impact Fans And Cooling Systems Limited is a non-material, non-listed wholly owned subsidiary of the company.'

19. PARTICULARS OF SUBSIDIARY:

Sr. No.	Name & Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held
1.	Impact Fans And Cooling Systems Limited	J29268MH1994PLC096056	Wholly Owned Subsidiary	75%

The Consolidated Financial Statements of the Company for the year ended 31st March, 2025 are prepared in compliance with the applicable provisions of the Companies Act, 2013, and as stipulated under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited Consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a Statement containing salient features of the Financial Statements of the Subsidiary Company in the prescribed Form AOC-1 is appended as Annexure- I to this report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiary Company is kept for inspection by the Members at the Registered Office of the Company. The Company shall provide a copy of the Financial Statements of its Subsidiary Companies to the Members upon their request. The statements are also available on the website of the Company at www.paragfans.com.

20.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.

21.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.

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

There was a major material change, occurred after 31 March, 2024 which affected the financial position of the Company.

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The management of the Company proposed to acquire shares of Impact Fans and Cooling systems Limited from Mr. Sandeep Badjatia and Mrs. Rukmini Badjatia, the allottees of the proposed preferential issue of **Parag Fans And Cooling Systems Limited**, both are the related Parties as defined under Section 188 of Companies Act, 2013. The said purchase of shares from promoters of Impact Fans And Cooling System Limited by issuing shares of Parag Fans and Cooling Systems Limited on Preferential basis for consideration other than Cash.

By way of acquiring shares, Impact Fans and Cooling Systems Limited has become the wholly owned subsidiary company of Parag Fans And Cooling Systems Limited in the F.Y. 2024-25. Subsequently Company also started submitting the quarterly consolidated financial results at Metropolitan Stock Exchange for quarter ended September 30, 2024.

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

24. 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.

25. 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.

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

27. 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.

28. Internal Auditor

M/s N. H. Variava & CO., Chartered accountants is appointed as an Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2024-25, 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.

29. Cost Auditors: NA

30. Secretarial Auditor & Secretarial Audit Report:

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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 2024-25. 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.

31. Corporate Social Responsibility (CSR) Policy: NA

32. Corporate Governance:

Pursuant to Regulation 15(2) of SEBI (Listing obligation and Disclosure requirement) Regulation, 2015, the provisions of Corporate Governance Report have become applicable on the company with effect from February 26, 2025. Hence disclosures in this regard are provided in this report.

33. CORPORATE GOVERNANCE CERTIFICATE

The Certificate from the Secretarial Auditor of the Company, M/s. Neelesh Gupta & Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulation is attached to the Report and forms the part of this Annual Report.

34. Committees of the Board:

The Company has following Committees: the Audit Committee, the Stakeholder Relationship Committee and the Nomination and Remuneration Committee. All 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, 2025.

Sr.No	Name	Designation	Position in Committee
1.	Ms Vaishali Rathod	Director	Chairperson
2.	Ms. Neelam Tanwani	Director	Member
3.	Mr. Umesh Nambiar	Director	Member

During the financial year 2024-25, there was total 5 (Five) 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
29-05-2024	Dewas	3	3
14-08-2024	Dewas	3	3
14-11-2025	Dewas	3	3
11-02-2025	Dewas	3	3
26-02-2025	Dewas	3	3

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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, 2025.

S. No	Name	Designation	Position in Committee
1.	Ms. Vaishali Rathod	Director	Chairperson
2.	Ms. Neelam Tanwani	Director	Member
3.	Mr. Surendra Kumar Badjatia	Director	Member

During the financial year 2024-25, there was total 3 (Three) 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
29-05-2024	Dewas	3	3
14-08-2024	Dewas	3	3
25-02-2025	Dewas	3	3

Stakeholder Relationship Committee:

The Company has constituted a Stakeholder Relationship Committee in accordance section 178 of the Companies Act, 2013.

The Stakeholder Relationship Committee comprises of the following Directors of the Company as on 31st March, 2025.

Sr.No	Name	Designation	Position in Committee
1.	Ms. Vaishali Rathod	Director	Chairperson
2.	Mrs. Neelam Tanwani	Director	Member
3.	Mr. Umesh Nambiar	Director	Member

During the financial year 2024-25, there was total 3 (Three) 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
29-05-2024	Dewas	3	3
14-08-2024	Dewas	3	3
25-02-2025	Dewas	3	3

35. 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

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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.

36. 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.

37.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.

38. 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.

39. Green Initiatives

Electronic copies of the Annual Report 2024-25 and the Notice of the 34th Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s).

40. 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.

41. Disclosure on Establishment of a Vigil Mechanism:

In the financial year 2024-2025, 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.

42. Managerial Remuneration

During the year 2024-25 your company has paid remuneration of Rs 22,44,720/- to the following Directors:

S.No.	Name	Designation	Amount
1.	Umesh Nambiar	Whole time Director	11,22,360

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2.	Deepak Pagnis	Whole time Director	11,22,360
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43. Disclosure under Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013.

During the Year 2024-25 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.

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

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.

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, 2025 of the Companies Act, 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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- 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 sweat equity shares or having employees' stock option scheme.

Acknowledgment:

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

PARAG FANS AND COOLING SYSTEMS LIMITED

Sd/-
DEEPAK PAGNIS
DIRECTOR
(DIN: 02566436)

Sd/-
UMESH NAMBIAR
DIRECTOR
(DIN: 02566355)

Annexure-I

AOC-1

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY AS ON MARCH 31, 2025
Name of the Company – IMPACT FANS AND COOLING SYSTEMS LIMITED

Reporting Period for the subsidiary concerned, if different from holding company's reporting period	April 1, 2024 to March 31, 2025
Reporting Currency	INR
Share Capital	9000000
Reserves	--
Total Assets	46343132.86
Total Outside Liabilities	46343132.86
Investment	4000000
Turnover/ Total Income	43995400.19
Profit before Taxation	3226671.88
Provision for Taxation	181407
Profit after Taxation	2000264.88
Proposed Dividend	-
% of Shareholding	75% wholly owned subsidiary
Country	India

PARAG FANS AND COOLING SYSTEMS LIMITED

Place: Dewas
Date: 01.05.2025

Sd/-
UMESH NAMBIAR
DIRECTOR
(DIN: 02566355)

Registered Office and Works:

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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.

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

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

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

Note:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. Apart from the above the Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the related party transactions with the key management persons and subsidiary company and associate companies are disclosed in the notes to the financial statements.

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount
1.	Mr. Sandeep Badjatia Mr. Sandeep Badjatia Director, is a common director and promoters carry shareholding interest. Enterprise owned or significantly influenced by key management personnel or their relatives	Purchase of 575000 equity shares of Impact Fans and Cooling Systems in the swap ration of 6:1	Mode of Transaction is other than cash	The said purchase of shares from promoters of Impact Fans and Cooling system private Limited by issuing shares of Parag Fans and Cooling Systems Limited for swap ratio of 6:1. Value of transaction is 3,45,00,000/-	NA (Resolution Approved by Members on March 30,2024	NA
2.	Mrs. Rukmini Badjatia Enterprise owned or significantly influenced by key management personnel or their relatives	Purchase of 100000 equity shares of Impact Fans and Cooling Systems Limited in the swap ration	Mode of Transaction is other than cash	the said purchase of shares from promoters of Impact Fans and Cooling system private Limited by issuing shares of Parag Fans and Cooling	NA (Resolution Approved by Members on March	NA

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		of 6:1		Systems Limited for swap ratio of 6:1. Value of transaction is 60,00,000/-	30,2024	
	Mr. Sandeep Badjatia Mr. Sandeep Badjatia Director, s a common director and carries interest. Enterprise owned or significantly influenced by key management personnel or their relatives		5 years	Impact Cooling Solutions Limited, Associate Company Value of transaction is 250000000/	(Resolution Approved by Members on September 30,2024	250000000
3.	Deepak Pagnis, Key Managerial personnel (WTD)	Remuneration	-	-	-	11.00
4.	Umesh Nambiar Key Managerial personnel (WTD)	Remuneration	-	-	-	11.00
5.	Independent Directors, Key Managerial personnel (Sitting Fee)	Sitting Fee	-	-	-	0.02
6.	Gajendra Takwale, Key Managerial personnel (CFO)	Remuneration	-	-	-	6.93
7.	Pooja Chauhan, Key Managerial personnel (CS)	Remuneration	-	-	-	6.05

Date: 01.05.2025
Place : Dewas

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, 2025
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of 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**

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 SYSTEMSLIMITED** (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.

The 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

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procedure and based on our verification of the **PARAG FANS AND COOLING SYSTEMS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 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 Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Applicable to the Company during the review period)**
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Applicable to the Company during the review period)**
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Applicable to the Company during the review period)**
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the review period)**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the review period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the review period)**
- (g) 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 to the Company during the review period)**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the review period)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the review period)**
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 **(Applicable to the Company during the review period)**

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guide-lines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Remark	Compliance Requirement (Regulations/ circulars/ guide- lines including specific clause)

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1.	Trading Window Closure		-		-	Has not been filed within the stipulated time limit	-	The Company has filed the Trading Window Closure with the delay of 3 days.	Due to Technical errors Company could not upload the same on time.	Trading Window Closure
2.	Intimation of Board Meeting	Regulation 29 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015				Has not been filed by the company.		The Company has not filed the intimation of Board meeting dated 27.08.2024 to the Stock Exchange under Regulation 29 (1) of SEBI (LODR), 2015	Company has given the disclosure relating to proposal to allot the shares with regard to Board of Directors meeting dated 05/03/2024	Intimation of Board Meeting

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director.

During the year Ms. Vaishali Narendra Rathod (DIN: 08488641) and Ms. Pooja Atul Sangoi (DIN: 07411546) was appointed as Additional Non-Executive Independent Director of the Company in the Board Meeting held on 26th February, 2025.

During the year Mr. Deepak Pagnis (DIN: 02566436) and Mr. Umesh Nambiar (DIN: 02566355) was re-appointed as a whole time director of the company in the Board Meeting held on 14th August, 2024 for a period of 5 years subject to the approval of the shareholder of the company in the AGM held on 30th September, 2024 and also approve the remuneration of the whole time director of the company in the AGM.

The company has appointed Independent Directors as per requirement of Section 149 of the Companies act, 2013.

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, except where meeting was held at shorter notice 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 by majority 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, standards etc.

We further report that: -

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

1.Related Party Transaction

The Company has entered into some related party transactions on the terms and conditions as may be decided by the Board of Directors of the Company in their Board Meetings and all transactions are as per the section 188 of the Companies Act, 2013.

2. Internal Auditor and Secretarial Auditor

During the year M/s N H Variava & Co. Chartered Accountants was appointed as an internal auditor of the company for the financial year 2024-25 in the Board Meeting held on 29th May 2024 and M/s Neelesh Gupta & Co. (CP No.: 6846) was appointed as the Secretarial Auditor of the Company, for the financial year 2024-25 in board meeting held on 29th May, 2024.

3. Allotment of 44,60,000 Equity Share of Rs. 10/- each to Promoter/Promoter Group on Preferential Allotment Basis:

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During the year the company has allotted 44,60,000 equity shares of face value of Rs. 10/- each to the proposed allottees for the partial consideration in cash and other than cash by swap of shares of Impact Fans in the ratio of 6:1 in the Board Meeting held on 27th August, 2024.

4. Allotment of 8,40,000 Compulsory Convertible Preference Shares (CCPSs) at a price of Rs. 10/- per CCPSs (Face Value Rs. 10/- each) to Promoter/Promoter Group on Preferential basis for consideration other than cash in the form of swap of shares

During the year the company the company has allotted 8,40,000 Compulsory Convertible Preference Shares (CCPSs) on Preferential basis for consideration other than cash by way of swap of shares of Impact Fans and Cooling Systems Limited to Promoter/Promoter group in the Board Meeting held on 27th August, 2024.

5. Re-Constitution of Committees

During the year the company has re constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee w. e. f. 14th August, 2024 and 26th February, 2025.

6. Subsidiary Company

During the year the company has one Subsidiary of Impact Fans and Cooling Systems Limited.

7. Maintenance and Disclosure on Website

During the Year, the company has maintained maintained the website (www.paragfans.com) but the company fails to timely dissemination of the documents/information under a separate section on the website.

**For & on behalf of
NEELESH GUPTA & CO.
(Company Secretaries)
(Peer Review Certificate No.: 1995/2022)**

**Place: Indore
Date: 01-05-2025**

**Sd/-
CS Neelesh Gupta
FCS No.: 6381
CP 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**

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.
3. 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.

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4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. 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 Meeting/Stakeholder Relationship Committee Meeting and Independent Directors Meetings 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.
 - All Request for transfer of shares received by the company during the year have been executed by registrars & share transfer agents.
 - Notice of Board Meetings were duly sent to all the directors.
 - Notice of annual general meeting has been duly sent to all the members.
 - The Company has not obtained secured loans from banks/ financial institutions as on 31st March, 2025 and duly entered in statutory register.
 - Company has not directly indirectly advanced any loans to any of their Director or KMP or any other person in whom the director is interested.
 - Company has not accepted any deposit (u/s 73)
6. 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.
7. 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.

For & on behalf of
NEELESH GUPTA & CO.
(Company Secretaries)
(Peer Review Certificate No.: 1995/2022)

Place: Indore
Date: 30-05-2025

UDIN: F006381G000509257

CS Neelesh Gupta
FCS No.: 6381
CP No.: 6846

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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 Employee of the Company for the financial year 2024-25, the percentage increase in remuneration of Directors, Chief Financial Officer and Company Secretary during the financial year 2024-25.

Sr. No.	Name of the Director/Key Managerial Personnel(KMP) and Designation	Remuneration of Director/ KMP for the financial year 2024-25 (Including Non-Executive Independent Director)	Remuneration of Director/ KMP for the financial year 2023-24	% increase (decrease) in remuneration in the financial year 2024-25
1.	Mr. Sandeep Badjatia Director	-	-	-
2.	Mr. Umesh Nambiar Whole Time Director	1122360	1017864	(10%)
3.	Mr. Deepak Pagnis Whole Time Director	1122360	1017864	(10%)
4.	Mr. Surendra Kumar Badjatia Non-Executive Independent Director	-	-	-
5.	Ms. Neelam Tanwani Non-Executive Independent Director	24000	24000	-
6.	Ms. Vaishali Rathod Non-Executive Independent Director	2000	-	-
7.	Ms. Pooja Sangoi Non-Executive Independent Director	2000	-	-
8.	Mr. Gajendra Madhukar Takwale Chief Financial Officer	764184	694464	(10%)
9.	Ms. Pooja Chauhan	657504	597504	(10%)

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 –

Registered Office and Works:

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Median Remuneration 2024-25	Median Remuneration 2023-24	% Increase in the Median Remuneration

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

As on 31st March, 2025 the total number of employees on the roll was 37. The Company hires additional employees and labour through subcontractors.

v. Annual salary raises for all employees in percentage is comparable to raise given to managerial members except in extraordinary circumstances with due consideration and justification.

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: 01.05.2025

**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 V
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 recession and it's fallout in the broader economy may affect prospects of growth in the company. Slowdown in world economies 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 customers are known to invest in such

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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. The company is also making progress in building new businesses to grow at a higher rate in future.

(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 endeavour 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.

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

**Place: Dewas
Date: 01.05.2025**

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

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2025 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company follows highest standards of corporate governance principles and best practices. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Your Company's Corporate Governance philosophy is based on transparency, accountability, values, and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth, and value creation. "Excel" is committed to utmost standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

Your Company adheres to the highest level of Governance and always strives to adopt best global practices in Corporate Governance and remains abreast with the continuous developments in the industry's Corporate Governance systems. The entire framework is guided by a strong Board of Directors and executed by a committed team of management and employees. The Board of Directors represents the interest of the Company's stakeholders for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

BOARD OF DIRECTORS

- **Board Composition**

The Board of Directors provide leadership and guidance to the Company's Management while discharging its fiduciary responsibilities, directs as well as reviews business objectives, management strategic plans and monitors the performance of the Company. The Company firmly believes that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the management.

In conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and applicable provisions of the Companies Act, 2013 ('Act'), as amended from time to time, your Company has a professional Board with right mix of

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knowledge, skills, experience and expertise in diverse areas with an optimum combination of Executive and Non-Executive Directors including a Woman Director and requisite number of Independent Director.

As on March 31, 2025, the Company's Board is comprised of 7 (seven) Directors, out of which 3 (Three) are Executive Directors, which includes 1 (One) Executive Director and 2 (Two) Whole-time Directors and 4 (Four) are Non-Executive Directors, which includes 3 (Three) Non-Executive Independent Directors and 1 (One) Non-Independent Non-Executive Director.

In order to ensure the appropriate composition of the Board the Company has appointed Ms. Pooja Atul Sangoi (DIN : 07411546) and Ms. Vaishali Rathod as an Additional Director (Non-Executive,

Independent Director) w.e.f. February 26, 2025. Thus, the appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management.

None of the Director on the Board is a Member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian public companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all the Directors

None of the Directors hold office in more than ten public companies and seven listed entities. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed/ companies. None of the Whole-time Director/Managing Director is an Independent Director in any other listed companies. All Directors are also in compliance with the limit on Directorships/ Independent Directorships of Listed Companies as prescribed under Regulation 17A of the Listing Regulations.

The Board Composition and categories of Directors, their number and details of Directorships, Committee Membership(s)/Chairmanship(s) as on March 31, 2025, attendance of each Director at the Board Meetings of the Company held during FY 2024-2025 and at the last Annual General Meeting ('AGM') of the Company along with equity shareholding of each Director in the Company as on March 31, 2025 is given **below**:

Sr. No.	Name of Director	DIN	Category	Attendance of Meeting		Last AGM Attended	Other Directorship		No. of shares held
				No. of Board Meeting			No. of Directorship**	Name of other listed entity and Category of Directorship	
				Held	Attended				
1.	Mr. Sandeep Surendra Kumar Badjatia	00979809	Executive Director & Promoter	6	4	No	2	-	5,607,099
2.	Mr. Deepak Pagnis	02566436	Whole time Director	6	6	Yes	2	-	50,000
3	Mr. Umesh Nambiar	02566355	Whole time Director	6	6	Yes	2	-	50,000

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4	Mr. Surendra Kumar Badjatia	07501398	Non-Executive Non-Independent Director	6	6	Yes	2	-	-
5	Ms. Neelam Tanwani	10146348	Non-Executive Independent Director	6	6	Yes	1	-	-
6.	Ms. Vaishali Rathod	08488641	Non-Executive Independent Director	6	1	NA	1	-	-
7.	Ms. Pooja Atul Sangoi	07411546	Non-Executive Independent Director	6	1	NA	1	-	-

* Ms. Vaishali Rathod and Ms. Pooja Atul Sangoi were appointed w.e.f February 26, 2025.

**No. of Directorship is excluding private companies, foreign companies and Section 8 companies as per the Act but including Parag fans And Cooling Systems Limited.

***Mr. Sandeep Surendra Kumar Badjatia and Mr. Surendra Kumar Badjatia are related to each other. None of the other Directors are related to each other.

Sr. No.	Name of Director	Committee Positions (Total no. of Membership(s)/ Chairmanship(s) of Audit/ Stakeholder Committee(s) as on 31-03-2025)	
		Membership	Chairmanship
1.	Ms. Vaishali Rathod	-	2
2.	Ms. Neelam Tanwani	-	-
3	Mr. Surendra Kumar Badjatia	1	-
4.	Mr. Umesh Nambiar	2	-

*Ms. Vaishali Rathod was appointed as an Independent Director on February 26, 2025 on the Board of the Company and subsequently forms part of the Audit Committee and Nomination and Remuneration Committee and Stakeholder Committee

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and the Rules framed thereunder. In terms of Regulation 25(8) of the 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 mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

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- **Board Meeting**

The Board meets at least four (4) times a year to discuss and review the Company's performance, its quarterly audited financial results along with the other agenda matters and meet more often if Company needs merit additional oversight and guidance. However, in case of business exigencies or urgency, meetings are convened at a shorter notice with appropriate approvals or certain resolutions are passed by circulation, as permitted by law, which are noted in the subsequent meeting.

The Board/ Committee members are provided with well-structured notes to agenda along with the available annexures, as applicable at least seven (07) days before the meetings except for the meetings called at a shorter notice to enable the Directors to take an informed decision or certain annexures are either circulated before the meeting or placed before the meeting upon being available. In exceptional circumstances, additional or supplementary item(s) are taken up with permission of the Chairman of the respective meeting and the consent of the majority of Board/Committee members present at the meeting.

During FY 2024-2025, 6 meetings of the Board were held. The said meetings were held on May 29, 2024, August 14, 2024, August 27, 2024, November 14, 2024, February 11, 2025, and February 26, 2025 and the maximum time gap between two Board meetings was less than 120 days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. During the year, information as mentioned in Schedule II Part A of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 has been placed before the Board for its consideration.

The company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the company.

- **Director's Profile:**

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and their shareholding in the Company are provided below:

Mr. Sandeep Surendra Kumar Badjatia- Director

Mr. Sandeep Badjatia is the Promoter of the Company. He took over the management control of the company in 2008 and since then, the company has grown almost ten times in revenue with global footprint. An entrepreneur by profession, Engineer by qualification, he holds a Bachelor of Engineering (B.E.) degree from MANIT Bhopal. Mr. Badjatia has rich, long and diverse experience for more than 37 years of successfully managing his businesses since 1987. Mr. Badjatia oversees functions like Strategic Leadership, Vision and Mission Development, Strategic Planning & Innovation, Financial Management, Budgeting and Financial Planning, Revenue Management & Fundraising if required, Operations Management, Operational Oversight, Quality Control, Human Resources, Recruitment and Retention of key personnel, Team Building, Performance Management, Marketing and Sales, Brand Management, Sales Strategy, Customer Relations, Compliance and Risk Management, Legal Compliance, Risk Management, External Relations, Networking, Public Relations, Technology and Innovation, IT Oversight, Adoption of New Technologies etc.

Mr. Surendra Kumar Badjatia- Non-Executive Non-Independent Director

Mr. Surendra Kumar Badjatia holds a Bachelor of Engineering (B.E.) degree in Electrical Engineering. Mr. S K Badjatia brings his rich experience of more than 62 years in the industry. He has worked with PSUs in management roles for more than 30 years before he joined the Impact Group promoted by

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his son. He performs the role of advisor to the group operations in the capacity of director of the company.

Mr. Umesh Nambiar- Executive Director

Mr. Nambiar holds a Bachelor of Commerce (B.Com.) degree from Nagpur University. He has been associated in various capacities with the Impact Group for 24 years and has rich experience in the Fiberglass RP industry managing Production Planning and Control, Quality Control, Materials Management, Accounting, Banking, Compliance etc.

Mr. Deepak Pagnis- Executive Director

Mr. Pagnis holds a master's degree in commerce (M.Com.) along with qualification in Computer Programming and Systems Analysis. He has experience of more than 35 years in the industry. He has been associated with the company for more than 35 years in various capacities. Presently, Mr. Pagnis manages Sales and Marketing, Business development and Technology management.

Ms. Neealm Tanwani –Non-Executive Independent Director

She is a Bachelor's in Commerce from Ravi Shankar University, Raipur and Fellow member of The Institute of Cost and work Accountants of India (ICWAI). She has knowledge and experience of 15 years in Accounting and Taxation.

She is a Non-Executive Independent Director in Parag fans And Cooling Systems Limited- Listed Company"

Ms. Vaishali Rathod –Non-Executive Independent Director

She holds degree in Commerce from Mumbai University and also a Fellow member of Institute of Company Secretaries of India (ICSI). Currently working as a Whole Time Company Secretary and Compliance Officer in a reputed Listed Company. She has enriching knowledge and experience of 15 years in Corporate & Securities Laws, Finance and Management and is actively engaged in Company Law, SEBI LODR Compliances.

She is a Non-Executive Independent Director in Parag fans And Cooling Systems Limited- Listed Company"

Ms. Pooja Sangoi –Non-Executive Independent Director

She holds degree in Commerce and LL.M (Specialization in IPR) from Mumbai University and also a Associate member of Institute of Company Secretaries of India (ICSI). Currently working as a Whole Time Company Secretary in an IT Company. She has also knowledge and experience of 8 years in Corporate & Securities Laws, Finance and Management and is actively engaged in Company Law, SEBI LODR Compliances.

She is a Non-Executive Independent Director in Parag fans And Cooling Systems Limited- Listed Company"

- **Skills/expertise/competencies identified by the Board of Directors**

The Board comprises qualified members who bring in the required skills, expertise and competencies from variety of sectors that allows them to make effective contribution to the Board and its Committees. Besides having financial literacy, vast experience, leadership qualities and the ability to think strategically, the Directors are committed to ensure highest standards of corporate governance.

In terms of the requirement of the Listing Regulations, the Board has identified the core skills, expertise, and competencies of the Directors in the context of the Company business for effective functioning and as available with the Board. These are as follows:

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- a) Knowledge of Company's business, policies and culture, major risks, threats and potential opportunities and knowledge of the Industry.
- b) Behavioral Skills- attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- c) Business Strategy- Production, Sales and Marketing, Technology, Corporate Strategy, Business Administration, Decision making.
- d) Technical and Professional skills and specialized knowledge in relation to Company's business.
- e) Knowledge relating to Financial & Capital Markets.
- f) Governance: Experience in developing governance practices, serving the best interest of all stakeholders, maintaining Board and Management accountability, building long-term effective stakeholders engagements and driving corporate ethics and values.

The details of Directors of the Company who possess the above referred skills/expertise/competencies are as given below:

Directors	Knowledge of the Company's business	Behavioral Skills	Business Strategy Skills	Technical/ Professional skills	Financial Skills	Governance Skills
Mr. Sandeep Surendra Kumar Badjatia	✓	✓	✓	✓	✓	✓
Mr. Surendra Kumar Badjatia	✓	✓	✓	✓	✓	✓
Mr. Umesh Nambiar	✓	✓	✓	✓	✓	✓
Mr. Deepak Pagnis	✓	✓	✓	✓	✓	✓
Ms. Neelam Tanwani	✓	✓	✓	✓	✓	✓
Ms. Vaishali Rathod*	✓	✓	✓	✓	✓	✓
Ms. Pooja Atul Sangoi*	✓	✓	✓	✓	✓	✓

* Ms. Vaishali Rathod and Ms. Pooja Atul Sangoi were appointed as Independent Director w.e.f. February 26, 2025

Independent Directors

All Independent Directors of the Company are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interests of stakeholders and the Company. They have been appointed in compliance with the requirements of the Act and Listing Regulations. The Company has issued a letter of appointment to all the Independent Directors and terms of engagement thereof have been disclosed on the website of the Company at <https://www.excel-infoways.com/policies>.

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At the time of appointment and thereafter at beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with eligibility criteria mentioned under the Act and Listing Regulations including registration of their names as an Independent Director in the data bank maintained with the Indian Institute of Corporate Affairs.

Based on the disclosures received from all the Independent Directors, the Board is of the opinion that all the Independent Directors of the Company fulfil the conditions as specified in the Act and Listing Regulations and are thereby independent of the management of the Company. No Independent Director serves as an Independent Director in more than 7(seven) listed companies.

Familiarisation Programme for Independent Directors

In accordance with Section 149 read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, the Company has put in place a system to familiarize the Independent Directors regarding their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, Company's Strategy, business model and performance updates of the Company, etc.

The objective of the familiarization program is to ensure that non-executive Directors are updated on the business environment and overall operation of the Company. This would enable them to take better informed decisions in the interest of the Company.

As a part of the ongoing familiarization process, Independent Directors were apprised during and/or after quarterly Board Meetings, by the Managing Director and/or Whole-time Director about the operations of the Company, market scenario, governance, internal control processes and other relevant matters including strategy, important developments and new initiatives undertaken by the Company.

The details of familiarization program for Independent Directors have been disclosed on the website of the Company at <https://www.excel-infoways.com/policies>.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations. The Committee **operate as empowered** agents of the Board as per their terms of reference that set forth their purpose, goals and responsibilities. Accordingly, the Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters. Further, the Company Secretary of the Company acts as the Secretary to all the Committees. These Committees meet as often as required or as statutorily required. The Board Committees and its Composition has been disclosed on the website of the Company and can be accessed at <https://www.excel-infoways.com/committee>. During FY 2023, all the recommendations /submissions by the Committees, were accepted by the Board.

1. AUDIT COMMITTEE:

The Audit Committee is duly constituted in accordance with the Listing Regulations and of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. It adheres to the terms of reference, prepared in compliance with Section 177 of the Companies Act, 2013 and Listing Regulation which interalia include overseeing financial

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reporting process, accounting policies and practices, reviewing periodic financial results, adequacy of Internal Audit Functions, related party transactions etc.

Objective

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and compliance with the legal and regulatory requirements. The Committee oversees the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

Powers of Audit Committee

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

Terms of Reference:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommending to the Board, the appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing / Examination, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of related party transactions
 - vii. Qualifications modified opinion(s) in the draft audit report,
- (5) Reviewing/ Examination, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;

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- (11) Evaluation of internal financial controls and risk management systems;
 - (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
 - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (14) Discussion with internal auditors of any significant findings and follow up there on;
 - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
 - (17) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
 - (18) To review the functioning of the Whistle Blower mechanism;
 - (19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
 - (20) To review the financial statements, in particular the investment made by unlisted subsidiary company;
 - (21) Carrying out other functions as may be specifically referred to the Committee by the Board of Directors.
 - (22) The Audit Committee shall also mandatorily review the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the Internal auditors;
 - (f) Statement of deviations:
 - i. Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. Annual statement of funds utilized for purposes other than those stated in the offer document.
- **Composition, Meetings and Attendance:**

The Audit Committee of the Board comprises two independent directors namely Ms. Vaishali Rathod, Chairman, Ms. Neelam Tanwani, Member and one whole time Director Mr. Umesh Nambiar. All the members of the Audit Committee possess good knowledge of corporate and project finance, accounts and Company law. Thus, the members of the Audit Committee are financially literate and have accounting or financial management expertise.

The Audit Committee meets atleast five (5) times in a year within a gap of One Hundred and Twenty days (120) between two (2) consecutive meetings. During FY 2024, the Audit Committee met 4 (four) times i.e., on May 29, 2024, August 14, 2024, November 14, 2024, February 11, 2025, and February 26, 2025

The Composition of the Audit Committee along with number of meetings and attendance details are as follows:

Registered Office and Works:

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Ph: +91-7272-425100- 425102 web: www.paragfans.com email: info@paragfans.com

Sr. No.	Name of the Committee Members	Designation	Category	No. of meetings held during the tenure	No. of meetings attended
1.	Ms. Vaishali Rathod	Chairperson	Non-Executive Independent Director	1	1
2.	Ms. Neelam Tanwani	Member	Non-Executive Independent Director	5	5
3.	Mr. Umesh Nambiar	Member	Whole time Director	5	5
4.	Mr. Surendra Kumar Badjatia #	Member	Non-Executive Non Independent Director	5	4

Mr. Surendra Kumar Badjatia, member of Audit committee resigned on February 26, 2025 from the post of member of Audit Committee and Ms. Vaishali Rathod was appointed on February 26, 2025 on the Board of the Company and subsequently forms part of the Committee. Ms. Vaishali Rathod appointed as a Chairperson on February 26, 2025.

As per Section 177 of the Act, Regulation 18(1) of the Listing Regulations and the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs, Ms. Neelam Tanwani, the Chairman of the Audit Committee till February 26, 2025 was present at the last Annual General Meeting ('AGM') of the Company held on September 30, 2024, to answer shareholder's queries.

2. Nomination & Remuneration Committee:

The Company has a duly constituted Nomination & Remuneration Committee ('NRC Committee'), in accordance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The terms of reference of NRC Committee includes the matters specified under Section 178 of the Act and Regulation 19 and Part D of Schedule II of the Listing Regulations, as amended from time to time and other matters referred by the Board. The primary role of the NRC Committee includes the formulation of the criteria for appointment/removal of Directors, Key Managerial Personnel and Senior Management including determining qualifications, positive attributes and independence of a director, formulation of criteria for evaluation of performance of Directors and devising a policy on diversity of board etc.

• Terms of Reference:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- (2) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- (3) Directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- (4) Formulation of criteria for evaluation of Independent Directors, the Board and every director's performance.
 1. Evaluation of the performance of every director whether to extend or continue the term of appointment of independent director on the basis of the report of performance evaluation of independent directors.
 2. Recommend to the board, all remuneration, in whatever form, payable to senior management.

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3. Devising a policy on Board diversity.

• Composition, Meetings and Attendance:

The NRC Committee meets as frequently as circumstances necessitate with atleast one meeting in a year. During FY 2024-25, the NRC Committee met 3 (three) times i.e., on May 29, 2024, August 14, 2025 and February 26, 2025.

The Composition of the NRC Committee along with number of meetings and attendance details are as follows:

Sr. No.	Name of the Committee Members	Designation	Category	No. of meetings held during the tenure	No. of meetings attended
1.	Ms. Vaishali Rathod	Chairman	Non-Executive Independent Director	1	1
2.	Ms. Neelam Tanwani	Member	Non-Executive Independent Director	3	3
3.	Mr. Umesh Nambiar	Member	Executive Director	3	3
4.	Mr. Surendra Kumar Badjatia #	Member	Non-Executive Non Independent Director	3	2

Mr.Surendra kumar Badjatia, member of Nomination and Remuneration committee resigned on February 26, 2025 from the post of member of Nomination and Remuneration committee and Ms. Vaishali Rathod was appointed on February 26, 2025 on the Board of the Company and subsequently forms part of the Committee.

As per Regulation 19(3) of the Listing Regulations, Section 178(7) of the Act and the applicable Secretarial Standards, Ms. Neelam Tanwani, who was Chairperson of NRC Committee till February 26, 2025, was present at the last AGM of the Company held on September 30, 2024, to answer shareholder queries.

• **Nomination And Remuneration Policy**

The Company has a well-defined Nomination and Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and other Employees of the Company as formulated by Nomination and Remuneration Committee, pursuant to the provisions of Section 178 of the Act and Para A of Part D of Schedule II of the Listing Regulations. The Policy has been published on the website of the Company <https://www.excel-infoways.com/policies>. This Policy aims to ensure that the persons appointed as Directors, KMP, Senior Management Personnel possess requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the composition of remuneration to such persons is fair and reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully.

The remuneration of the Managing Director and Executive Directors are decided by the Nomination and Remuneration Committee based on the Company's performance vis-à-vis the industry performance/track record of the Managing Director and Executive Directors and same is reported to the Board of Directors. The Company pays remuneration by way of salary to its Managing Director and Whole-time Director. Increment(s) are decided by the Nomination and Remuneration Committee within the overall limits approved by the Members.

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- **Evaluation of the Board's Performance:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board of its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Performance of the Board was evaluated by the independent directors on the parameters such as its roles, responsibilities, identifying material risks, availability of quality information in timely manner, development of governance structure etc.

The Board Committees were evaluated by the respective Committee members on the parameters such as its' roles, responsibilities, appropriateness of Committee composition, effectiveness of communication by the Committee, meaningful participation etc.

Directors were also evaluated individually by all the other Directors excluding director being evaluated on the parameters such as his/her preparedness and participations at the Meetings, safeguarding confidential information, contribution towards company's growth, application of professional skills and experience for decision making, strategic planning etc. Independent Directors were additionally evaluated for their performance and fulfilment of criteria of independence and their independence from the Management. The performance of non-independent directors were also evaluated by the Independent Directors.

In accordance with Section 149(8) read with Schedule IV of the Act and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors was held on March 01, 2024 without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, inter-alia, evaluated the performance of the Non-Independent Directors, various committees of the Board and the Board as a whole for the FY 2023-2024. The Independent Directors also review the quality, content, and timeliness of the flow of information from the management to the Board and its committees which is necessary to perform reasonably and discharge their duties. All Independent Directors of the Company associated with Company on that date were present.

The Performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by independent directors. Both Nomination and Remuneration Committee and the Board were satisfied with the evaluation process, which reflected the overall engagement of the Board and its Committees with the Company. The Directors expressed their satisfaction with the entire evaluation process.

- **Performance Evaluation Criteria For Independent Directors.**

The Performance of the Board is evaluated on the Following Criteria's:

1. The Effectiveness of the Board in guiding and reviewing the strategy of the organization.
2. The extent of the Board's understanding of ongoing threats, opportunities, and the risk which might impact on the delivery of the strategy.
3. The effectiveness of the Board's review of management's performance.
4. The effectiveness of the Board in ensuring that CEO and key senior executive succession planning is adequately provided.
5. The extent to which the Board is kept abreast of trends, regulatory changes and issues affecting the market in which the Company Operates.
6. The appropriateness of the number, type and constitution of Board Committees to ensure good governance.
7. The extent to which board members respect the particular skills, experience and judgement of

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individual directors (especially in specific areas of issues).

8. The timelines, accuracy and quality of Board papers and other information provided to answer key questions, provoke the right debate at the Board and to support effective decision making.
9. The opportunity given to independent directors to meet without Company executives present.

• **Remuneration Of Directors:**

The details regarding remuneration paid to Executive Directors and sitting fees paid to Independent Directors are provided as follows:

								(Rs.in Lakhs)
Sr. No.	Name of Director	Fixed Component/ Salary	Benefits/ Perquisites	Bonus	Stock options	Pension	Sitting Fees	Total
1.	Mr. Sandeep Surendra Kumar Badjatia	-	-	-	-	-	-	-
2.	Mr. Surendra Kumar Badjatia	-	-	-	-	-	-	-
3.	Mr. Umesh Nambiar	11.22	-	-	-	-	-	11.22
4.	Mr. Deepak Pagnis	11.22	-	-	-	-	-	11.22
5.	Ms. Neelam Tanwani	-	-	-	-	-	0.24	0.24
6.	Ms. Vaishali Rathod*	-	-	-	-	-	-	-
7.	Ms. Pooja Atul Sangoi	-	-	-	-	-	-	-

During FY 2024-2025, the Company has not provided any other benefits such as pension neither granted any Employee Stock Options/ Stock Appreciation Rights to any of its Directors. The Non-Executive Directors do not hold instruments convertible into equity shares of the Company.

• **Remuneration to Non- Executive/Independent Directors:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees for each Month. The sitting fee is Rs.5,000 or Rs. 2,000 per month or such amount as may be decided by the Committee and the Board of the Company. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee.

Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

• **Criteria of making payment to Non- Executive Directors:**

The criteria for making payment to Non-Executive Directors of the Company is disclosed under web-link <https://www.paragfans.com/policies>.

• **Pecuniary Relationship of Non-Executive Directors:**

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Non-Executive Directors of the Company has no pecuniary relationship or transaction with the Company, except for the payment of sitting fees paid to them for attending meetings of the Board and its Committees.

- **Relationships between directors inter-se:**

Mr. Sandeep Surendrakumar Badjatia and Mr. Surendra Kumar Badjatia are related, and they are Directors of the Company. Mr. Sandeep Surendra Kumar Badjatia and Mrs. Rukmini Surendra Kumar Badjatia are related and they are the promoters of the Company.

- **Service Contracts, Notice Period, Severance Fees:**

The tenure of Executive/Independent Directors of the Company is five (5)/ three (3) years as approved by the shareholders of the Company. The Executive Directors are the Directors who are liable to retire by rotation. Notice period shall be as per the terms of appointment of Director while there are no service contracts or separate provision for payment of severance fees.

3. Stakeholders' Relationship Committee:

The Company's Stakeholders' Relationship Committee is responsible for the satisfactory redressal of investor complaints. The Company has a duly constituted Stakeholders' Relationship Committee ('SRC Committee'), in accordance with the requirements of Section 178 of the Act and Regulation 20 of Listing Regulations. The SRC Committee comprises of three directors, namely, Ms. Vaishali Rathod Chairman, Ms. Neelam Tanwani, Member and Mr. Umesh Nambiar, Member.

The terms of reference of the SRC Committee includes the matters specified under Section 178 of the Act and Regulation 20 and Part D of Schedule II of the Listing Regulations, as amended from time to time, and other matters referred by the Board. The SRC Committee oversees various aspects of interest of security holders such as redressal of investor grievances, review of adherence to the service standards adopted for shareholder services, measures taken for reducing the quantum of unclaimed dividends etc.

- **Terms of Reference:**

The terms of reference of the SRC Committee, inter alia, include the following:

- i. To look into the redressal of grievances of shareholders and other security holders, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. Review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

- **Composition, Meetings and Attendance:**

The SRC Committee meets as frequently as circumstances necessitate with atleast one meeting in a year. During FY 2024-25, the SRC Committee met 3 (three) times i.e., on May 29, 2024, August 14, 2025 and February 26, 2025.

The Composition of the SRC Committee along with number of meetings and attendance details are as follows:

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Sr. No.	Name of the Committee Members	Designation	Category	No. of meetings held during the tenure	No. of meetings attended
1.	Ms. Vaishali Rathod#	Chairperson	Non-Executive Independent Director	1	1
2.	Ms. Neelam Tanwani	Member	Non-Executive Independent Director	3	3
3.	Mr. Umesh Nambiar	Member	Executive Director	3	3
4.	Mr. Surendra Kumar Badjatia #	Member	Non-Executive Non Independent Director	3	2

Mr. Surendra kumar Badjatia, member of Stakeholder Relationship Committee resigned on February 26, 2025 from the post of member of Nomination and Remuneration committee and Ms. Vaishali Rathod was appointed on February 26, 2025 on the Board of the Company and subsequently forms part of the Committee.

As per Regulation 19(3) of the Listing Regulations, Section 178(7) of the Act and the applicable Secretarial Standards, Ms. Neelam Tanwani, who was Chairperson of SRC Committee till February 26, 2025, was present at the last AGM of the Company held on September 30, 2024, to answer shareholder queries.

• **COMPLIANCE OFFICER:**

Company Secretary has been designated as the Compliance Officer of the Company, as defined in the Listing Regulations.

Name and Designation of the Compliance Officer

Ms. Pooja Chauhan- Company Secretary and Compliance Officer of the company.

• **Investor Grievance Redressal:**

The details of investor complaint(s) received and resolved during FY 2023-24 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing balance
0	0	0	0

4. **Corporate Social Responsibility (CSR) Committee:**

Since, Section 135 of the Companies Act is not applicable to the Company, the requirement of constitution of CSR Committee is not applicable. Thus, the Company has not constituted CSR Committee.

5. **GENERAL BODY MEETINGS:**

The General Body Meeting(s) of the Company were held in accordance with the requirements of the Act and the Listing Regulations. The details of last three (3) Annual General Meetings (AGMs) is mentioned below:

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Financial Year	Date & Time	Venue	Items approved by Special Resolution
2023-2024	September 30, 2024 9:00 A.M.	Deemed Venue: Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP)- 455001	<ol style="list-style-type: none"> To approve Re-appointment and remuneration of Mr. Deepak Pagnis as Whole Time Director of the Company. To approve Re-appointment and remuneration of Mr. Umesh Nambiar (DIN: 02566355) as Whole Time Director of the Company. To approve related Party Transaction.
2022-2023	September 23, 2023 10:00 A.M.	Deemed Venue: Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP)- 455001	<ol style="list-style-type: none"> Re-appointment of Mr. Vijay Singh Bharkatiya (DIN : 00017285) as an Independent Director of the Company Increase in Authorized Share Capital of the Company Alteration of Capital Clause of Memorandum of Association of the Company
2021-2022	September 26, 2022 04:00 P.M.	Deemed Venue: Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (MP)- 455001	<ol style="list-style-type: none"> pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, Mr. Surendrakumar Badjatia (DIN:07501398), Director of the Company, to continue to hold office of Non-executive Director of the Company, He has already crossed 75 years of age." pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 Mrs. Rukmini Badjatia (DIN: 07501462), Director of the Company, to continue to hold office of Non-executive Director of the Company, She has already crossed 75 years of age." pursuant to regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 Mr. Vijai Singh Bharkatiya (DIN: 00017285), Director of the Company, to continue to hold office of Non-executive Director of the Company, He has already crossed 75 years of age." To approved Remuneration of Mr. Deepak Pagnis as Whole Time Director of the Company. To approve Remuneration of Mr. Umesh Nambiar (DIN: 02566355) as Whole Time Director of the Company

a. Extra-ordinary General Meeting:

During FY 2024-2025, An Extraordinary General Meeting of the members of the Company was convened on March 30, 2024 at the registered Office of the company.

b. Postal Ballot:

During FY 2024-2025, there were no Special Resolution passed through Postal Ballot.

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Financial Results	The quarterly and annual financial results of the Company are uploaded on MSE Electronic Application Processing System (MCX) in accordance with the requirements of Listing Regulations. The financial results are displayed on MCX websites. The financial results are also published in 'The Free Press Journal (English) and Chautha Sansar (Hindi) newspapers and posted on the Company's website at https://www.paragfans.com/quarterly result. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., info@paragfans.com .
Quarterly Results	Board Meeting will be held for Quarterly Results for Quarter ending June, September, December within 45 days from the closure of respective Quarter or such other time as specified by SEBI or Central Government from time to time. Board Meeting for Financial Result for the year ended March 31 will be held within 60 days from the close of financial year or such other time as specified by SEBI or Central Government from time to time.
Website	https://www.paragfans.com is the website address of the Company. In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information as required to be placed on the website of the Company.
Stock Exchange	Your Company makes timely disclosures of necessary information to MSE Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI. MSE: MSE is a web-based application designed by MSE for corporates. The shareholding pattern, corporate governance report, corporate announcements, financial results, etc. are also filed electronically, details of which can be accessed at https://www.msei.in/ .
Designated e-mail-ID servicing for investor services:	The Company has designated e-mail-id: info@paragfans.com exclusively for investors. The email id is also displayed on the Company's website at https://www.paragfans.com/greivences-cell
SEBI Complaints Redressal System ('SCORES'):	The investors' complaints are also being processed through the centralised web-based complaint redressal system. The salient features of SCORES are availability of centralised data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.
Press Release	The press releases are posted on the Company's website i.e. https://www.paragfans.com .

Person who conducted the postal ballot exercise – Not Applicable

Procedure for Postal Ballot – Not Applicable

Details of Special Resolution proposed to be conducted through Postal Ballot:

Special Resolution(s) as may be necessary under the Act and/ or the Listing Regulations would be passed through Postal Ballot in compliance with applicable laws.

4. Means Of Communication:

GENERAL SHAREHOLDER INFORMATION:

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Date, Time and Venue of Annual General Meeting (AGM)	The Date, Day, Time and Venue of 34th AGM of the Company have been set out in the Notice convening the AGM.
Financial Year	The Company follows April 01 to March 31 as its financial year.
Dividend Payment date	Not declared for financial year 2024-25
Date of Book Closure	Saturday, 20th June 2025 to Saturday, 26th June 2025 (both days inclusive).
Dividend Payment Date	Not applicable
Financial Calendar (tentative)	June 30, 2024- Second week of August, 2024 September 30, 2024- Second week of November, 2024 December 31, 2024- Second week of February, 2025 March 31, 2025- Last week of May, 2025.
Stock Exchanges	Metropolitan Stock Exchange of India Limited (MSE), 205(A), 2nd floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla (West), Mumbai – 400070 The Company has paid the listing fees for FY 2024-25 to MSEI .
Stock Code	MSEI SYMBOL: PFCSL ISIN NO. INE698VO1019
Registrar and Share Transfer Agents (RTA)	Ankit Consultancy Private Limited 60, Electronic Complex, Pardeshipura, Indore, Madhya Pradesh- 452001 Phone: + 0731 4065799 E-mail investor@ankitonline.com Website: www.ankitonline.com
Share Transfer System	Share Transfer System of the Company is computerized and Ankit Consultancy Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for equity shares (kept in physical as well as electronic mode). The requests, if any, for share transfer, transmission, subdivision, consolidation, renewal, remat, duplicate etc. are processed and share certificates duly endorsed / issued are dispatched within the prescribed time, subject to documents being valid and complete in all respects. In compliance with the Regulation 7(3) of the Listing Regulations, the Company submits a Compliance Certificate duly signed by the Compliance Officer of the Company and the authorised representative of the Share Transfer Agent, within one month of end of financial year, stating that all activities in relation to both physical and electronic share transfer facilities are maintained by the Company's Registrar and Share Transfer Agent (RTA) . Further, an annual certificate of compliance, issued by it, regarding the issuance of share certificates within 30 days of lodgment for transfer, sub-division, consolidation, renewal etc., is submitted to the stock exchanges pursuant to Regulation 40(9) & (10) of the Listing Regulations.

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Dematerialisation of Shares and Liquidity	<p>The Equity Shares of the Company are almost in dematerialized segment and are not available for frequently trading on the Metropolitan Stock Exchange of India Limited. The Equity shares are available in the depository systems of both the National Securities Depository Limited and the Central Depository Services (India) Limited. The ISIN Number of Company on both the NSDL and CDSL is INE698VO1019.</p> <p>As on March 31, 2025, 10051200 Equity Shares out of total no. of shares held i.e. 84,76,670 of face value of Re.10/- each are held in the dematerialised form.</p>
Commodity price risk or foreign exchange risk and hedging activities	<p>The Company is not engaged in commodity trading, hedging or exchange risk management activities.</p>
Plant Locations	<p>Parag Fans and Cooling Systems Limited Address: Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (M.P.) -455001 Tel Nos.: +91- 7272425105 E-mail.: info@paragfans.com</p>
GDRs/ ADRs/ Warrants or any Convertible Instruments:	<p>The Company has not issued any GDRs/ADRs/ Warrants or any Convertible Instruments.</p>
In case securities are suspended from trading the directors report shall explain the reason thereof	<p>Not Applicable</p>
Address of correspondence	<p>Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt of dividend warrant, loss of share certificates etc., should be addressed to Company or RTA at:</p> <p>Parag Fans and Cooling Systems Limited Address: Plot No. 1/2B & 1B/3A, Industrial Area No.1, AB Road, Dewas (M.P.) -455001 Tel Nos.: +91- 7272425105 E-mail.: info@paragfans.com</p> <p>Ankit Consultancy Private Limited 60, Electronic Complex, Pardeshipura, Indore, Madhya Pradesh- 452001 Phone : + 0731 4065799 E-mail investor@ankitonline.com Website : www.ankitonline.com</p>

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List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit program or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad	Not Applicable
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DISTRIBUTION OF HOLDING AS ON March 31, 2025

SHARE HOLDING NOMINAL VALUE OF		SHARE HOLDERS Numbers.	%	Shares Amount in Rs.	%
RS.	Rs.				
UPTO	1000	4	1.80	1700	0.00
1001	2000	4	1.80	8000	0.01
2001	3000	80	36.04	240000	0.24
3001	4000	1	0.45	4000	0.00
4001	5000	61	27.48	305000	0.30
5001	10000	24	10.81	230000	0.23
10001	20000	17	7.66	223000	0.22
20001	30000	8	3.60	196000	0.20
30001	40000	1	0.45	32000	0.03
40001	50000	1	0.45	45000	0.05
50001	100000	6	2.70	548500	0.55
100001	ABOVE	15	6.76	98678800	98.18
Total :-		222	100	100512000	100

Shareholding Pattern (Category of Shareholders) as on March 31, 2025:

Sr. No.	Category of Shareholders	No. of shares held	% of share holding
A.	Promoters' holding:		
1.	Indian:		
	Individual	60,57,799	55.62
	Body Corporate	10,65,971	9.79
	Sub Total		
2.	Foreign Promoters:	Nil	Nil
	Sub Total (A)	71,23,770	65.41

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B.	Non-Promoters' holding:		
1.	Institutional Investors	1,09,300	1.00
2.	Non-Institution	Nil	Nil
	Private Corporate Bodies	2,95,000	2.71
	Indian Public	4,53,880	4.17
	Others (Including Foreign National & NRIs)	20,69,250	19.00
	Sub Total (B)	2927430	26.88
	Grand Total (A+B)	1,00,51,200	92.29

Shares in Physical and Demat form as on March 31, 2025:

Particulars	No. of Shares	%
In Physical Form	1574530	15.67
In Dematerialized Form	84,76,670	84.33
Total	10051200	100.00

DEPOSITORY SERVICES:
National Securities Depository Limited

Trade World, 4th Floor,
Kamla Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400 013
Telephone : 022 - 24972964-70
Fax : 022 - 24972993

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street,
Mumbai - 400 023
Telephone : 022 - 2272 3333-3224
Fax : 022 - 2272 3199

OTHER DISCLOSURES:
Material Related Party Transactions:

The Company has formulated and adopted a Policy on Dealing with Related Party Transactions ('RPT Policy') and the web-link for the policy is <https://www.paragfans.com/policies>. The Company has made requisite disclosure with respect to related party transaction in the significant accounting policies and note to accounts to the financial statements. Transactions with the related parties as per the requirements of Ind AS 24 are disclosed in Note to the Financial Statements forming integral part of this Annual Report.

Details of Non-Compliance by the Company, Penalties and Strictures imposed:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets.

Whistle-Blower Policy & establishment of vigil mechanism and affirmation that no personnel have been denied access to the Chairman of the Audit Committee.

Your Company has in place Whistle-Blower Policy ("the Policy") and has established the necessary vigil mechanism for Directors, Employees and stakeholders of the Company in confirmation with Section 177(9) of the Act and Regulation 22 of the Listing Regulations. The Policy provides formal mechanism to its Directors/ Employees/Stakeholders of the Company for reporting any unethical behavior, breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPSI), misuse of office, suspected / actual fraud and criminal offences.

The Policy enables the reporting of such concerns to the Chairman of the Audit Committee. The framework of the Policy strives to foster responsible and secure whistle blowing. During FY 2024-2025, no Director, employee or stakeholder of the Company has been denied access to the

Registered 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 web: www.paragfans.com email: info@paragfans.com

Chairman of the Audit Committee of the Board. The said policy can be accessed at Company's website at www.paagfans.com

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Company has complied with all the mandatory requirements of Regulation 27 of the Listing Regulations, 2015.

The Company is yet to adopt the non-mandatory requirements like sending of half-yearly declaration of financial performance including summary of the significant events in last six-months, unqualified financial statements. The Board is taking guidance from non-mandatory requirement as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestion of the non-mandatory requirement.

Policy for Determining 'Material' Subsidiaries & Policy on dealing with Related Party Transactions:
Policy for determining the material Subsidiary and policy for dealing with Related Party Transaction is disclosed on the website of the Company at <https://www.paragfans.com/policies>.

Disclosure of commodity price risks and commodity hedging activities:

Not applicable to the Company.

Details of Utilisation of funds raised through preferential allotment or Qualified Institutions Placement During the FY 2024-2025 Company has raised funds through preferential allotment to promoter and non-promoter.

The proposed preferential allotment of Equity Shares and CCPs is made for part consideration in cash, utilized for working capital, increase the production capacity and general corporate purpose and part for acquisition of Equity shares of the Company named Impact Fans and Cooling Systems Limited from the allottees.

Total fees paid to the Statutory Auditors:

The details of fees paid by the Company and its subsidiary to the Statutory Auditors for FY 2024-2025 are as under:

(Amount in Rs.)	
Payment to Statutory Auditors	FY 2024-2025
Statutory Audit fees	1,00,000
Total	1,00,000

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2024-25	NIL
Number of complaints disposed off during the financial year 2024-25	NIL
Number of complaints pending as on end of the financial year 2025-25	NIL

Details of 'Loans and advances in the nature of loans to firms/companies in which directors are interested:

During FY 2024-25, loan or advances was given to the Wholly Owned Subsidiary of the Company. Further, the details of the same is available in the Financial Statement of the Company which forms

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the integral part of the report. Apart from this the Company have not given loans or advances to the firms/companies in which the directors of the Company are interested.

Non-compliance of Corporate Governance:

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the Listing Regulations.

Further, the Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

During the FY 2024-2025, the Board has accepted all the recommendations of its committees.

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for the financial year 2024-2025

Details of material subsidiaries of the listed entity, if any:

During FY 2024-2025, the Company has only one wholly Owned subsidiary Company, there is no material subsidiary of the Company.

Certificate of Non-Disqualification of Directors:

Company has obtained certificate from Practicing Company Secretary stating that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI, Ministry of Corporate Affairs or any such statutory authority.

Confirmation and Certification:

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. Further none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority.

Particulars of Directors seeking appointment /re-appointment at the ensuing Annual General Meeting have been provided in the Notice to the Annual General Meeting.

Code For Prevention Of Insider-Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('SEBI Insider Trading Regulations'), the Company has adopted a comprehensive Code of Conduct to regulate, monitor and report trading by Insiders for Prevention of Insider Trading for its Designated Persons, their immediate relatives and Insiders. The said Code of Conduct prohibit employees or any other person from dealing in the Equity Shares of the Company while they are in possession of price sensitive information. Further, this policy also includes practices and procedures for fair disclosure of Unpublished Price Sensitive Information, Initial and Continual Disclosure. Policy on Insider Trading is available on the website of the Company at <https://www.paragfans.com/policies>.

The Compliances with the SEBI Insider Trading Regulations are also being independently reviewed by the Secretarial Auditors of the company.

Disclosure With Respect to Demat Suspense Account / Unclaimed Suspense Account

The Company duly have opened Demat Suspense / Unclaimed Suspense Account.

Transfer Of Unclaimed Dividend To Investor Education And Protection Fund

Section 124 of the Act mandates the Company to transfer entire amount of dividend which has not been paid or claimed within thirty (30) days from the declaration date to an Unpaid Dividend Account and if, such amount remains unclaimed for a period of seven (07) years, then required to be transferred to IEPF. During FY 2024-2025, the Company has not transferred any amount to IEPF account since there was no outstanding for seven (07) consecutive years.

Code Of Conduct

The Board of Directors of the Company has laid down the code of conduct for all the Board Members and the Senior Management of the Company in accordance with the requirement under

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Regulation 17 and Regulation 26 (3) of the Listing Regulations, 2015 and Companies Act, 2013. The same has been posted on the website of the Company at <https://www.paragfans.com/policies>.

All the Board Members and the Senior Management Personnel have affirmed their compliance with the applicable Code of Conduct for the financial year 2024-2025. The declaration from the Chairman & Managing Director, regarding the affirmation of the compliance for the year ended March 31, 2024 forms part of this report.

CEO/ CFO Certification

In compliance with Regulation 17(8) of the Listing Regulations, a declaration by MD or Director and CFO was placed before the Board, certifying the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting for the year ended March 31, 2025.

For and on behalf of the Board of Directors
Parag fans And Cooling
Systems Limited

Date :01-05-2025
Place: Dewas

Sd/ **Sd/-**
Umesh Nambiar **Deepak Pagnis**
(DIN: 02566355) **(DIN: 02566436)**
Whole-time Director **Whole-time Director**

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I, Umesh Nambiar, Director hereby confirm that:

The Company has obtained from all the members of the Board of Directors and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2025.

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

Umesh Nambiar
Whole time Director

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2025

To,
The Board of Directors
Parag Fans and Cooling Systems Limited

Registered Office and Works:

Plot no. 1/2B & 1B/3A, Industrial Area No. 1, A. B. Road, Dewas-455 001 (M.P.) India
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We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of the Company hereby certify that on the basis of the review of the Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2025 and that to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- iii. We hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2025 are fraudulent, illegal or violative of the Company's Code of Conduct;
- iv. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;
- v. That there have been no significant changes in the accounting policies during the financial year 2023-2024 and We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Date: 01-05-2025

Place: Dewas

Sd/- Umesh Nambiar Whole time Director	Sd/- Gajendra Takwale CFO
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CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PARAG FANS AND COOLING SYSTEMS LIMITED
1/2 & 1B/3A INDUSTRIAL AREA NO. 1 A B ROAD, DEWAS,
Madhya Pradesh, India, 455001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Parag Fans and Cooling Systems Limited having CIN-U51102MP1991PLC006760 and having registered office at 1/2 & 1B/3A INDUSTRIAL AREA NO. 1 A B ROAD, DEWAS, Madhya Pradesh, India, 455001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in the Company
1.	Surendra Kumar Badjatia	07501398	18/01/2017
2.	Sandeep Surendrakumar Badjatia	00979809	10/12/2008
3.	Umesh Nambiar	02566355	04/02/2009
4.	Deepak Pagnis	02566436	04/02/2009
5.	Pooja Atul Sangoi	07411546	26/02/2025
6.	Vaishali Narendra Rathod	08488641	26/02/2025
7.	Neelam Tanwani	10146348	30/05/2023

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 01.05.2025
Place: Indore

For Neelesh Gupta & Co.
Company Secretary

UDIN: F006381G000240340

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

CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To,
The Members of
PARAG FANS AND COOLING SYSTEMS LIMITED
1/2 & 1B/3A INDUSTRIAL AREA NO. 1 A B ROAD, DEWAS,
Madhya Pradesh, India, 455001

We have examined the relevant records of Parag Fans and Cooling Systems Limited, for the purpose of certifying compliance with the conditions of Corporate Governance for the year ended 31st March, 2025, as stipulated in Regulation 34 of the Listing Regulations of the said Company with Stock Exchange in India. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: 01.05.2025
Place: Indore

For Neelesh Gupta & Co,
Company Secretaries

UDIN: F006381G000240296

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

PARAG FANS AND COOLING SYSTEMS LIMITED

(CIN: - U51102MP1991PLC006760)

**AUDIT REPORT
FINANCIAL YEAR
2024-2025**

AUDITORS

A K P S & CO
Chartered Accountants
Indore

9425060686, 8109032532, 0731-4701567

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, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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, 2025, its Profit (including other comprehensive income), 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 by us as confirmation letter not made available to us.
4. 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.

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 no material misstatement of this other information; we are required to report that fact and 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 (including other comprehensive income), 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 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, 2020 ("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;
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with section 469 of the companies act and rule 7 of the Companies (Accounts) Rules 2014;
- e. On the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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 pending court case as per note no. 27(2)(i) and an appeal pending with Income tax department as per note no.27(2)(ii) 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.
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - c. Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material mis-statement.
- v. No Dividend is declared or paid by the company during the year.

- vi. Provison to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2024, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended March 31, 2025 and properly maintained by the company.

Place: Indore
Date: 01-05-2025

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

CA Dr. Ashok Pahwa
Partner
M No-077665

PARAG FANS AND COOLING SYSTEMS LIMITED**ANNEXURE - A TO THE AUDITOR'S REPORT**

(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)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
 - a) The company has generally maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - b) The company has generally maintained proper records showing full particulars of Intangible Assets.
 - c) 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.
 - d) 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.
 - e) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
 - f) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under during the year.

(ii) INVENTORY:

- (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- (b) The company does not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; hence this point is not applicable.;

(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:

According to the information and explanation given to us, the company has not given Unsecured loan to the whole time director of the company, but given advance for expenses incurred by him on behalf of the company. Closing outstanding for the same was Rs 1,48,315/- shown as current account balance of director in the financial statements.

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

Name of Party	Relation	Balance Amount as on March 31, 2025	Nature
Impact Fans and Cooling Systems Limited	Subsidiary Concern	2,67,77,428	Trade Receivable

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.

(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, 2025 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, every year company collected amount of Professional Tax but not paid to the Government.

Also, 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, 2025 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.)
Sales tax / VAT Payable	1,89,526/-

(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, 2025 on account of dispute are given below :

Name of the Statute	Nature of Dues	Amount (In Rs.) (Total amount less amount paid)	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
Central Sales Tax	CST	3,40,781/-	Financial Year 2014-15
Central Sales Tax	CST	3,62,824/-	Financial Year 2016-17

Central Sales Tax	CST	52,310/-	Financial Year 2017-18 – Order received
MP VAT	VAT	52,656/-	Financial Year 2011-12 – Final Order Received
MP VAT	VAT	3,000/-	Financial Year 2017-18
Excise and Service tax	Service tax	7,51,064/-	From 2015 to June 17
Income Tax, 1961	Income Tax	25,32,424/- (2592624-60199)	Financial Year 2015-16
Income Tax, 1961	Penalty U/s 271(1)(c)	4,33,972/- (542465-108493)	Financial Year 2009-10
Income Tax, 1961	Interest u/s 220 (2)	97,408/-	Financial Year 2007-08
Income Tax, 1961	Interest u/s 271-C	89,119/-	Financial Year 2009-10
Income Tax, 1961	Intimation U/s 143(3)	1,80,942/-	Financial Year 2015-16
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	1,26,350/-	Financial Years 2020-21
Income Tax, 1961	TDS late filing fee U/s 234E of Income Tax Act	2,44,970/-	Financial Years 2019-20
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,45,690/-	Financial Years 2021-22
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,44,080/-	Financial Years 2022-23

Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	2,66,100/-	Financial Years 2023-24
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	56,960/-	Financial Years 2024-25

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

(ix) REPAYMENT OF DUES TO A FINANCIAL INSTITUTION:

- According to the information and explanations given to us, the Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon to any lender during the year;
- the company has not been declared willful defaulter by any bank or financial institution or other lender;
- According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- According to the information and explanation given to us, funds raised on short term basis have not been utilized for long term purposes;
- According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) APPLICATION OF TERM LOAN/ MONEY RAISED

The Company has not raised funds through an Initial Public Offer (IPO) or Further Public Offer (FPO), including through the issuance of debt instruments, during the year. However, equity shares were allotted on a preferential basis to the directors, certain other individuals, and institutional investors, in accordance with the terms of the issue.

Additionally, the Company issued equity shares for consideration other than cash in connection with the acquisition of shares in a subsidiary company.

Further, in our opinion and based on the information and explanations provided by the management, the Company has complied with the provisions of Sections 42 and 62 of the Companies Act, 2013, and has utilised the funds raised through term loans for the purposes for which they were obtained.

(xi) FRAUD ON/BY THE COMPANY:

- a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;
- b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

(xii) Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company;

(xiii) According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.

(xiv) According to the information and explanations given to us, the company has no internal audit system;

(xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable;

(ii) According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable;

- (iii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- (iv) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;
- (v) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (vi) The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- (xvi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Place: INDORE
Date: 01-05-2025

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

(CA Dr. ASHOK PAHWA)
PARTNER
M.No. 077665

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, 2025 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, 2025, 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: 01-05-2025

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

CA Dr. Ashok Pahwa
Partner
M No-077665

Parag Fans And Cooling Systems Limited**CIN- U51102MP1991PLC006760**

Balance Sheet

As On 31-Mar-2025

(Amount in Rupee)

S. No.	Particulars	Notes	As On 31-Mar-2025	As On 31-Mar-2024
ASSETS				
Non-Current Asset				
a	Property, Plant and Equipment	1	8,547,721	7,089,328
b	Capital Work In Progress	2	6,899,607	6,899,607
c	Financial Assets	3	-	-
d	Investments	4	40,520,050	20,050
e	Other Non Current Assets	9	2,585,639	2,748,888
	Deferred Tax Asset (Net)	14	630,059	712,638
Current Assets				
a	Inventories	5	23,002,221	33,207,852
b	Financial Assets	3	-	-
c	Trade Receivable	6	82,217,993	72,256,754
d	Cash & Cash Equivalent	7	259,557	62,143
e	Other Bank Balances	8	3,141,154	2,968,978
f	Other Current Assets	9	892,158	1,484,185
Total Assets			168,696,159	127,450,423
EQUITY & LIABILITIES				
Equity				
a	Equity Share Capital	10	100,512,000	55,912,000
b	Other Equity	11	7,210,153	(4,320,590)
Non-Current Liabilities				
Financial Liabilities				
a	Borrowings	12	5,976,602	6,168,138
b	Trade Payables	13	-	207,860
c	Other Non Current Liabilities	15	3,339,720	2,781,421
	Deferred Tax Liability (Net)	14	-	-
Current Liabilities				
a	Borrowings	12	33,117,027	32,612,334
b	Trade Payables	13	13,690,714	29,565,783
c	Other Current Liabilities	15	4,849,943	4,523,475
Total Assets			168,696,158	127,450,423

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
DIRECTOR
DIN: 07501398
Place : Dewas
Date : 01-05-2025

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436
Company Secretary

CA (DR)ASHOK PAHWA
PARTNER
Mem No.077665
Place : Indore
Date : 01-05-2025

Parag Fans And Cooling Systems Limited

CIN- U51102MP1991PLC006760

Statement Of Profit and Loss

For period ended on 31-Mar-2025

(Amount in Rupee)

S. No.	Particulars	Notes	Period ending on 31-Mar-2025	Period ending on 31-Mar-2024
Income				
a	Revenue from Operations	16	185,140,955	148,233,340
b	Other income	17	5,320,655	1,285,792
Total Income			190,461,609	149,519,132
Expenses				
a	Cost of Material Consumed	18	127,909,284	96,667,433
b	Changes in Inventories of Finished Goods & Work - In - Progress	19	10,722,431	11,081,532
c	Employee benefits expense	20	19,350,198	15,506,622
d	Finance costs	21	3,869,463	4,978,060
e	Depreciation and amortisation expense	1	1,347,879	804,848
f	Other expenses	22	30,566,053	17,250,006.89
Total Expenses			193,765,308	146,288,502
Profit/(Loss) before exceptional item and tax			(3,303,699)	3,230,630
Exceptional item (Net of Tax)			-8,447,921	-
Profit/(Loss) Before Tax			5,144,222	3,230,630
Tax Expense				
a	Current Tax Expense		1,250,000	600,000
b	Tax Adjustment of earlier year		(55,327)	-170,676
C	Deferred Tax		82,579	39,165
Profit/(Loss) for the Year			3,866,970	2,762,141
Other Comprehensive Income				
Items That Will Not Be Reclassified to Profit and Loss			(736,228)	(147,436)
Tax on OCI items			-	-
Items That Will Be Reclassified to Profit and Loss			-	-
Total Comprehensive Income/(Loss)			(736,228)	(147,436)
Earnings Per Share of Rs 10 each fully paid				
Basic			0.47	0.48
Diluted			0.44	0.48
Notes to Financial Statements				
Notes to Financial Statements		1-25		
Significant Accounting Policies				
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
DIRECTOR
DIN: 07501398
Place : Dewas
Date : 01-05-2025

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436
Company Secretary

CA (DR) JASHOK PAHWA
PARTNER
M. No.077665
Place : Indore
Date : 01-05-2025

Parag Fans & Cooling Systems Limited**CIN- U51102MP1991PLC006760**

Statement of Changes in Equity

For period ended on 31-Mar-2025

A. Equity Share Capital

(Amount in Rupee)

Particulars	31/03/2025	31/03/2024
Balance at the beginning for the year	55,912,000	55,912,000
Changes in Capital During the Year	44,600,000	-
Balance at the end of the year	100,512,000	55,912,000

* 3210000 Equity shares of Rs 10 each fully paid up issued other than cash consideration for acquisition of 535000 equity shares in Impact Fans and Cooling Systems Ltd.

B. Other Equity

(Amount in Rupee)

Particulars	DSIR Project	Security Premium	Preference Share Capital	Retained earnings	Total Other Equity
Balance as on 31-March-2023	2,000,000	24,687,000	-	(33,622,295)	(6,935,294)
Addition / Reduction during the year	-	-	-	-	-
Profit/ (Loss) for the Year	-	-	-	2,762,141	2,762,141
Other Comprehensive reserve	-	-	-	(147,436)	(147,436)
Closing balance as on 31-March-2024	2,000,000	24,687,000	-	(31,007,590)	(4,320,590)
Addition / Reduction during the year	-	-	8,400,000	-	8,400,000
(share issued other than cash consideration)					
Profit/ (Loss) for the Year	-	-	-	3,866,970	3,866,970
Other Comprehensive reserve	-	-	-	(736,228)	(736,228)
Closing balance as on 31-March-2025	2,000,000	24,687,000	8,400,000	(27,876,848)	7,210,153

* 840000 Compulsory convertible preference shares issued other than cash consideration for acquisition of 140000 equity shares of Rs 10 each in Impact Fans and Cooling Systems Ltd.

Parag Fans And Cooling Systems Limited
CIN- U51102MP1991PLC006760
Statement of Cash Flow
For Period Ended on 31-Mar-2025

(Amount in Rupee)

S. No	Particulars	2024-25	2023-24
I	Cash Flow From Operating Activity		
	Net Profit / (Loss) After Tax	3,866,970	2,762,141
	<u>Adjustments for</u>		
	Depreciation and Amortisation	1,347,879	804,848
	Finance Costs	3,869,463	4,978,060
	Interest Income	(193,332)	(182,748)
	Creditors Write Back	0	0
	Deferred Tax	82,579	39,165
	Other Comprehensive Income	(736,228)	(147,436)
	Operating profit / (loss) before working capital changes	8,237,331	8,254,030
	<u>Changes in working capital</u>		
	Adjustments for (increase) / decrease in operating assets		
	Inventories	10,205,631	5,455,019
	Financial Assets	-	-
	Trade Receivable	(9,961,240)	(2,124,854)
	Other Bank Balances	(172,176)	177,227
	Other Current Assets	755,277	1,786,276
	Adjustments for increase / (decrease) in operating liabilities		
	Trade Payables	(16,082,930)	4,083,768
	Other Current Liabilities	884,767	1,172,555
	Net cash flow from / (used in) operating Activities (A)	(6,133,340)	18,804,020
II	Cash Flow From Investing Activity		
	Investment in Capital Expenditure	(2,806,272)	(1,180,195)
	Net cash flow from / (used in) Investing Activities (B)	(2,806,272)	(1,180,195)
III	Cash Flow From Financing Activity		
	Proceeds From Equity Shares / Preference Shares	12,500,000	-
	Proceeds From Borrowings	313,157	(12,799,928)
	Finance Cost	(3,869,463)	(4,978,060)
	Interest Income	193,332	182,748
	Net cash flow from / (used in) Financing Activities (C)	9,137,026	(17,595,240)
D	Net increase / decrease in cash & cash equivalent (A+B+C)	197,414	28,586
E	Cash & Cash Equivalent at the Beginning of Year	62,143	33,557
	Cash & Cash Equivalent at the End of Year (D+E)	259,556	62,143

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
DIRECTOR
DIN: 07501398
Place : Dewas
Date : 01-05-2025

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436
Company Secretary

CA (DR) JASHOK PAHWA
PARTNER
Mem No.077665
Place : Indore
Date : 01-05-2025

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 2025. The statement has been prepared by the Company in accordance with the requirement of IND AS and in agreement with the corresponding statement of profit and loss and balance sheet of the company covered by our report of 01st May 2024 to the member of the company.

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

Place : Indore
Date : 01-05-2025

CA Dr. Ashok Pahwa
Partner
M. No. 077665

Parag Fans And Cooling Systems Limited
CIN- U51102MP1991PLC006760
Balance Sheet as on 31-Mar-2025

1. Property, Plant and Equipment

(Amount in Rupee)

Particulars	Gross Carrying Value			Accumulated Depreciation & Amortization			Net carrying amount as on	
	As on 1-Apr-2024	Additions During the Year	As on 31-Mar-2025	Upto 1-Apr-2024	Depreciation During the Year	Upto 31-Mar-2025	31/03/2025	31/03/2024
Land	457,983	-	457,983	-	-	-	457,983	457,983
Previous Year	457,983	-	457,983	-	-	-	457,983	457,983
Building	15,496,358	1,018,647	16,515,005	13,700,175	175,675	13,875,850	2,639,155	1,796,183
Previous Year	15,496,358	-	15,496,358	13,400,706	299,469	13,700,175	1,796,183	2,095,652
Site Development	807,895	-	807,895	767,517	-	767,517	40,378	40,378
Previous Year	807,895	-	807,895	756,790	10,727	767,517	40,378	51,105
Plant & Machinery	41,536,907	1,075,000	42,611,907	39,459,758	277,794	39,737,552	2,874,355	2,077,149
Previous Year	41,536,907	-	41,536,907	39,460,061	-303	39,459,758	2,077,149	2,076,846
Computers & Printers	395,080	65,693	460,773	232,601	126,295	358,896	101,877	162,479
Previous Year	292,735	102,345	395,080	138,574	94,027	232,601	162,479	154,161
Furniture & Fixtures	3,068,642	61,200	3,129,842	1,894,397	195,796	2,090,193	1,039,649	1,174,245
Previous Year	3,068,642	-	3,068,642	1,511,980	382,417	1,894,397	1,174,245	1,556,662
Office Equipments	430,266	585,732	1,015,998	266,402	192,235	458,637	557,360	163,864
Previous Year	290,220	140,046	430,266	247,891	18,511	266,402	163,864	42,329
Vehicles	6,522,664	-	6,522,664	5,305,617	380,084	5,685,701	836,963	1,217,047
Previous Year	5,584,860	937,804	6,522,664	5,305,617	-	5,305,617	1,217,047	279,243
Total	68,715,795	2,806,272	71,522,067	61,626,467	1,347,879	62,974,346	8,547,721	7,089,328
Previous Year	67,535,600	1,180,195	68,715,795	60,821,619	804,848	61,626,467	7,089,328	6,713,981

2. Capital Work In Progress

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
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 staufs of balance reflecting in Capital Work in Progress; the managment 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-2025		As on 31-Mar-2024	
	Non-Current	Current	Non-Current	Current
Other	-	-	-	-
Total	-	-	-	-

Explanatory Note:

N A

4. Investments (Part of Financial Assets)

Particulars	As on 31-Mar-2025		As on 31-Mar-2024	
	Non-Current	Current	Non-Current	Current
Equity Shares (Quoted)				
State Bank of India	2050	-	2050	-
Bank of India	18,000	-	18,000	-
Shares in Subsidiary Company (Unquoted)				
Impact Fans and cooling systems Limited (675000 equity Shares of Rs 10 each) (At cost, with 0 Imparement)	40500000	-	-	-
Total	40,520,050	-	20,050	-

Explanatory Note:

01. In respect of quoted investments in equity shares, the company does not possess details of the physical share certificates or related demat account information. As a result, the number of shares held could not be confirmed. However, since the company had received dividends from these investments in earlier years, it has decided to continue carrying the related balances in the books.

02. The company acquired 75% equity shares in the subsidiary by issuing its own equity and preference shares to the shareholders of the subsidiary, pursuant to a preferential allotment.

5. Inventories

(as physically verified by the managment)

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Raw Material	10,384,190	9,867,390
Finished Goods & WIP	12,618,031	23,340,462
Total	23,002,221	33,207,852

6. Trade Receivable (net)

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Unsecured, Considered Good		
Domestic Sales		
More Than Six Months	9,436,245	13,595,162
Less Than Six Months	63,903,869	45,822,935
(Including Related party receivable of Rs 26777428, PY Rs 22476051)		
Export Sales		
More Than Six Months	79,633	11,420,019
Less Than Six Months	8,616,558	10,610,261
Provision for Doubtful Debts	-	8,447,921
Others-Advance to Creditors	181,689	144,161
Total	82,217,993	72,256,754

Explanatory Note:

1.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 belives 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.

2.Recoverable from three parties amount worth Rs.4814880,Court Case pending for Recovery.Management view is that full amount is recoverable.Hence, no provision for Doubtful Debts is created

7. Cash & Cash Equivalent

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Cash In Hand	252,392	62,143
(as physically verified by the management)		
In Banks	7,165	-
Total	259,557	62,143

8. Other Bank Balances

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Bank Deposit for BG	3,141,154	2,968,978
Total	3,141,154	2,968,978

9. Other Non Current / Current Assets

Particulars	As on 31-Mar-2025		As on 31-Mar-2024	
	Non-Current	Current	Non-Current	Current
Prepaid Bank Charges	-	-	-	-
Short Term Loans & Advances				
Credit Card	-	-	-	-
Advance to Employees	-	169,245	-	36,279
Director current account(Related Party)	-	-	-	-
Appeal Deposit				
Appeal Deposit - Sales Tax	1,273,305	-	1,273,305	-
Excise and Service Tax	-	-	156,350	-
Income Tax	861,518	-	741,848	-
Recoverable from Tax Authorities				
Income Tax	412,313	-	538,882	-
GST (net)	-	722,912	-	1,447,906
Security Deposit				
Others	-	-	-	-
Utilities	38,503	-	38,503	-
Total	2,585,639	892,158	2,748,888	1,484,185

10. Equity Share Capital

Particulars	As on 31-Mar-2025		As on 31-Mar-2024	
	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)	10,051,200	100,512,000	5,591,200	55,912,000
Reconciliation of No. Of Shares & Share Capital Outstanding:				
	No. Of Shares	Amount	No. Of Shares	Amount
Opening Share Capital	5,591,200	55,912,000	5,591,200	55,912,000
Add: No. of Share, Share Capital Issued/Subscribed during the Year (share issued other than cash consideration)*	4,460,000	44,600,000	-	-
Closing Share Capital	10,051,200	100,512,000	5,591,200	55,912,000

* 3210000 Equity shares of Rs 10 each fully paid up issued other than cash consideration for acquisition of 535000 equity shares in Impact Fans and Cooling Systems Ltd.

Shares in the Company held by Shareholder holding more than 5%	As on 31-Mar-2025		As on 31-Mar-2024	
	No. Of Shares	% Holding	No. Of Shares	% Holding
Sandeep Badjatia	5,607,799	55.79%	2,847,799	50.93%
Impact Projects & Consultants Pvt. Ltd.	665,971	6.63%	665,971	11.91%
Impact fans & Cooling system Pvt Ltd	400,000	3.98%	400,000	7.15%
Dinesh Seetha	287,000	2.86%	287,000	5.13%
Vimal Sodhani	452,250	4.50%	452,250	8.09%
Therese Patterson Grefer	1,230,000	12.24%	0	-
Total	8,643,020	85.99%	4,653,020	83.22%

Shares held by Holding Company and Subsidiary of Holding Company in Aggregate

Particulars	As at 31st March 2025	As at 31st March 2024
Equity Shares of Rs 10		
	4000000	4000000
400000 (31st March 2024: 400000) shares are held by Impact Fans and Cooling Systems Pvt Ltd., the Subsidiary Company		
Total	4000000	4000000

11. Other Equity

Particulars	DSIR Project	Security Premium	Preference Share Capital	Retained earnings	Total Other Equity
Balance as on 31-March-2023	2,000,000	24,687,000	-	(33,622,295)	(6,935,294)
Addition / Reduction during the year	-	-	-	-	-
Profit/ (Loss) for the Year	-	-	-	2,762,141	2,762,141
Other Comprehensive reserve	-	-	-	(147,436)	(147,436)
Closing balance as on 31-March-2024	2,000,000	24,687,000	-	(31,007,590)	(4,320,590)
Addition / Reduction during the year (share issued other than cash consideration)*	-	-	8,400,000	-	8,400,000
Profit/ (Loss) for the Year	-	-	-	3,866,970	3,866,970
Other Comprehensive reserve	-	-	-	(736,228)	(736,228)
Closing balance as on 31-March-2025	2,000,000	24,687,000	8,400,000	(27,876,848)	7,210,153

Explanatory Notes:

Details regarding DSIR Project is not available with the company.

* 840000 Compulsory convertible preference shares issued other than cash consideration for acquisition of 140000 equity shares of Rs 10 each in Impact Fans and Cooling Systems Ltd.

12. Borrowings

Particulars	As on 31-Mar-2025		As on 31-Mar-2024	
	Non-Current	Current	Non-Current	Current
Term Loan / EPC - From Banks	5,976,602	17,499,894	6,168,138	14,005,352
Term Loan - Others	-	726,530	-	708,070
Bank - Cash Credit / OD	-	14,890,604	-	17,898,913
Total	5,976,602	33,117,027	6,168,138	32,612,334

Notes:**Bank of India Working Capital Term Loan (WCTL)**

Nature :- Secured Loan (Non Current)

Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use

Repayment :- Interest monthly/ Principal Quarterly

Period/Interest :- 60 months / 9.25%

Security :- Equitable Mortgage of Lease hold land and Building / shed constructed thereon situated at plot no 1B/2B & 1B / 3A, Industrial area no 01, A B Road, Dewas in the name of the company. Hypothecation of Stocks and Book Debts as well as personal guarantee of Directors namely Mr Sandeep Badjatia, Mr Deepak Pagnis and Mr Umesh Nambiar.

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. Umesh Nambiar	Director	-	-
2	Impact Fans and Cooling Systems Ltd	Subsidiary Company	-	-

Bank of India Export Credit Limit

Nature :- Secured Loan

Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use

Repayment :- Demand loan

Period/Interest :- 12 months / 9.35%

Security :- Equitable Mortgage of Lease hold land and Building / shed constructed thereon situated at plot no 1B/2B & 1B / 3A, Industrial area no 01, A B Road, Dewas in the name of the company. Hypothecation of Stocks and Book Debts as well as personal guarantee of Directors namely Mr Sandeep Badjatia, Mr Deepak Pagnis and Mr Umesh Nambiar.

Bank of India Cash Credit Limit / OD

Nature :- Secured Loan

Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use

Repayment :- Demand loan

Period/Interest :- 12 months / 10.91%

Security :- Equitable Mortgage of Lease hold land and Building / shed constructed thereon situated at plot no 1B/2B & 1B / 3A, Industrial area no 01, A B Road, Dewas in the name of the company. Hypothecation of Stocks and Book Debts as well as personal guarantee of Directors namely Mr Sandeep Badjatia, Mr Deepak Pagnis and Mr Umesh Nambiar.

13. Trade Payables (net)

Particulars	As on 31-Mar-2025		As on 31-Mar-2024	
	Non-Current	Current	Non-Current	Current
MSME (see note below @)	-	-	-	-
Other Category				
For Material and services	-	13,561,001	-	29,533,716
(Including Directors current account of Rs 0/-, PY Rs 194376/-)				
For Miscellaneous / (Receivable)	-	44,608	207,860	32,068
Advance From Debtors	-	85,105	-	-
Total	-	13,690,714	207,860	29,565,783

@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.Hence

14. Deferred Tax (Net)

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Opening Deferred Tax Asset	(712638)	(751803)
Current Year Timing Difference	82,579	39,165
Total Deferred tax Liability/(Asset)	(630,059)	(712,638)

Trade Payables Ageing Schedule

Payment date not defined (Outstanding for following periods from due date of transaction)

Particulars	Current Year				Total
	Less Than 1 Yrs	1-2 Years	2-3 Years	More Than 3 Yrs	
MSME					
Others	13,391,964	2,000		572,738	13,966,702
Disputed					
Dues-MSME					
Disputed- others					

Particulars	Previous Year				Total
	Less Than 1 Yrs	1-2 Years	2-3 Years	More Than 3 Yrs	
MSME					
Others	25,982,319	365,342	1,634,974	1,583,148	29,565,783
Disputed					
Dues-MSME					
Disputed- others					

15. Other Current Liabilities

Particulars	As on 31-Mar-2025		As on 31-Mar-2024	
	Non-Current	Current	Non-Current	Current
Statutory Dues Payable				
Employee Related	-	105,071	-	414,724
Fee & Interest payable on statutory dues	-	806,848	-	806,848
Sales Tax / VAT Payable	-	189,526	-	189,526
TDS payable	-	384,126	-	101,858
Provision for Income tax (Net)	-	171,081	-	555,933
Provision for Bonus	-	485,218	-	528,424
Provision for gratuity	3,339,720	880,971	2,781,421	782,641
Expenses Payable				
Director's Sitting Fees	-	2,000	-	2,000
Salary Payable	-	1,825,102	-	989,282
Tour Expenses - Employee / (Receivable)	-	-	-	152,239
Electricity expenses Payable	-	-	-	-
Total	3,339,720	4,849,943	2,781,421	4,523,475

Particulars	31/03/2025	31/03/2024
Opening gross defined benefit liability/ (asset)	3564062	3037589
Expenses to be recognized in P&L	430532	379037
OCI- Actuarial (gain)/ loss-Total current period	736228	147436
Benefits paid (if any)	(510131)	0
Closing gross defined benefit liability/ (asset)	4220691	3564062
Current Liability (Short Term)*	880971	782641
Non-Current Liability (Long Term)	3339720	2781421
Total Liability	4220691	3564062

The Company has a defined benefit gratuity plan. The gratuity liability is funded through a policy taken from the Life Insurance Corporation of India (LIC). The plan is administered by LIC and the contributions are made based on actuarial valuation using the Projected Unit Credit Method.

Particulars	Amount
Present value of defined benefit obligation(at the end)	4220691
Fair value of plan assets	NIL
Net liability recognized in the balance sheet	4220691
Actuarial gain/ (loss) recognized	736228
Principal actuarial assumptions:	
Discount rate	6.50%
Expected return on plan assets	NIL
Salary escalation rate	5%

Parag Fans And Cooling Systems Limited
CIN- U51102MP1991PLC006760
Notes to the Accounts for the Year ended 31st March 2023

(Amount in Rupee)

6 TRADE RECIEVABLES (Net of Provision)

31st March 2025

Particulars	Less Than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than three years	Less: Allowance for bad and doubtful debts	Total
Secured Trade Relievable							
Total	-	-	-	-	-	-	-
Unsecured Trade Relievable							
Undisputed Trade Receivables – considered good	72,702,115	282,085	92,781	143,621	4,182,511	-	77,403,113
Disputed Trade Receivables – considered good	-	-	-	-	4,814,880		4,814,880
Disputed Trade Receivables – considered doubtful							-
Total	72,702,115	282,085	92,781	143,621	8,997,391	-	82,217,993
Grand Total	72,702,115	282,085	92,781	143,621	8,997,391	-	82,217,993

Details of Receivables due from Directors or Officers, related Firms and Companies
Impact Fans & Cooling System Ltd

26,777,428

31st March 2024

Particulars	Less Than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than three years	Less: Allowance for bad and doubtful debts	Total
Secured Trade Receivables							
Total	-	-	-	-	-	-	-
Unsecured Trade Receivables							
Undisputed Trade Receivables – considered good	56,721,517	133,000	-	-	-	-	56,854,517
Undisputed Trade Receivables – considered doubtful	-	770,293	729,885	2,838,133	11,063,926	-	15,402,237
Total	56,721,517	903,293	729,885	2,838,133	11,063,926	-	72,256,754
Grand Total	56,721,517	903,293	729,885	2,838,133	11,063,926	-	72,256,754

Details of Receivables due from Directors or Officers, related Firms and Companies
Impact Fans & Cooling System Ltd

22,476,051

-

16. Revenue From Operations

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
Fan Sales		
Domestic	127,254,893	108,192,183
Export	57,528,061	39,870,657
SEZ		
Packing & Forwarding	358,000	170,500
Total	185,140,955	148,233,340

17. Other Income

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
Consultancy & Installation		
Repair to FRP Fan Blade		
Round Off	33	-
<u>Interest Income</u>		
MPSEB	3,242	3,139
Deposit with bank	190,090	179,609
Dividend Income		
Discount on Purchase	207,345	313
Foreign Exchange Gain	3,045,984	392,766
Sundry balance written off	1,873,961	677,037
Interest received from others	-	32,928
Total	5,320,655	1,285,792

18. Cost of Material Consumed

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
Opening Stock of RM	9,867,390	4,240,877
Add:		
Purchases		
Manufacturing	69,009,052	54,546,404
Electrical	226,053	430,426
Packing & Forwarding	2,697,856	2,475,509
Manufacturing Expenses		
Job Work Charges	44,795,691	33,613,223
(Paid to subsidiary concern 3,97,39,220/- (PY 2,94,80,970/-))		
Transporation	10,834,418	10,356,072
Rent	480,000	480,000
(Related Party Disclosure)		
Other Expenses	39,467	42,980
Power & Fuel	343,547	349,332
Less:		
Closing Stock of RM	10,384,190	9,867,390
Total	127,909,284	96,667,433

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

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
Closing Stock Of Finished Goods & Work In Progress	12,618,031	23,340,462
Opening Stock Of Finished Goods & Work In Progress	23,340,462	34,421,994
Total	10,722,431	11,081,532

20. Employee benefits expense

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
Salaries & Wages	14,573,748	12,152,726
Bonus	501,198	1,011,439
Gratuity	430,532	379,037
Director Remuneration	3,844,720	1,963,420
Total	19,350,198	15,506,622

21. Finance costs

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
Interest Expense	2,735,043	4,690,731
Commission & Other Charges	1,134,420	287,329
Total	3,869,463	4,978,060

22. Other Expenses

Particulars	For Period Ending 31-Mar-2025	For Period Ending 31-Mar-2024
<u>Administrative Expense</u>		
Professional & Consultancy		
Internal Audit fees	-	-
Legal and consultancy fee	2,976,715	1,297,933
Travelling Exp	2,694,328	3,396,898
(Including directors travelling of Rs2776752, PY Rs 715675)		
Business Promotion	76,565	3,824
Bonus 2022-23	-	-
Bonus 2023-24	-	-
Certificate Of origin Charges	1,575	4,631
Repairs & Maintenance	692,802	260,795
Prior period item	-	-
Duties, Rates & Taxes	828,414	177,369
Insurance Expenses	119,088	142,492
Discount	10,636	1,385,214
Donation and Charity	600,000	-
Miscellaneous Expense	22,400,930	10,415,851
<u>Payment to Auditor</u>		
Audit Fees	75,000.00	75,000
Tax audit fees	25,000.00	25,000
Consultancy	65,000	65,000
Total	30,566,053	17,250,007

Note 23. FAIR VALUE MEASUREMENTS

a) Financial instruments by category

PARTICULARS	March,31, 2025			March,31, 2024		
	FVOCI	Amortised Cost	Cost	FVOCI	Amortised Cost	Cost
Financial Assets						
Investments	40,520,050			20,050		
Loans		892,158			1,484,185	
Trade Receivable		82,217,993			72,256,754	
Cash and cash equivalents		259,557			62,143	
Other Current Financial Assets		3,141,154			2,968,978	
Total	40,520,050	86,510,861	-	20,050	76,772,060	-
Financial Liabilities						
Borrowings		39,093,629			38,780,472	
Trade Payables		13,690,714			29,773,644	
Other current financial liabilities		4,849,943			4,523,475	
Total	-	57,634,286	-	-	73,077,591	-

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, 2025			March,31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	40,520,050		-	20,050		-
Loans			892,158			1,484,185
Trade receivable			82,217,993			72,256,754
Cash and Cash Equivalents			259,557			62,143
Others Financial assets			3,141,154			2,968,978
Financial Liabilities						
Short term borrowings			39,093,629			38,780,472
Trade Payable			13,690,714			29,773,644
Other financial liabilities			4,849,943			4,523,475

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, 2025

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 : 01-05-2025

(Company Secretary)
Date : 01-05-2025

Parag Fans And Cooling Systems Limited

CIN- U51102MP1991PLC006760

NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2025

24 OTHER DISCLOSURES

- a In the opinion of the Board, all assets other than Property, Plant and Equipment, intangible assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- b No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- c The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- d The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- e The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- f No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- g (i) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
(ii) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- h The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act. 1961)
- i The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- j The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.

Parag Fans And Cooling Systems Limited
CIN- U51102MP1991PLC006760
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2025

k Analytical Ratios			March,31, 2025			March,31, 2024			Variation %
	Ratio	Formula	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
(i)	Current Ratio	Current Assets / Current Liabilities	109513082	51657684	2.12	109979912	66701593	1.65	28.57
(ii)	Debt Equity Ratio	Total Debt / Shareholders Equity	39093629	107722153	0.36	38780472	51591410	0.75	(51.72)
(iii)	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	1913643	3869463	0.49	9013538	4978060	1.81	(72.69)
(iv)	Return on Equity (ROE)	Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	3130742	107722153	0.03	2614705	51591410	0.05	(42.65)
(v)	Inventory Turnover Ratio	Sales / Closing Inventory	185140955	23002221	8.05	148233340	33207852	4.46	80.31
(vi)	Trade receivables turnover ratio	Sales / Closing trade receivables	185140955	82217993	2.25	148233340	72256754	2.05	9.77
(vii)	Trade payables turnover ratio	Purchases / Trade Payables	71932961	13690714	5.25	57452339	29773644	1.93	172.29
(viii)	Net capital turnover ratio	Net Sales / Average Working Capital	185140955	57855399	3.20	148233340	43278318	3.43	(6.57)
(ix)	Net profit ratio	Net profit / Net Sales	3130742	185140955	0.02	2614705	148233340	0.02	(4.13)
(x)	Return on capital employed	Earning before interest and taxes / Capital Employed	565764	146815781	0.00	8208690	90371883	0.09	(95.76)
(xi)	Return on investment	Profit after tax / Equity share capital + Instruments entirely equity in nature + Securities premium	3130742	125199000	0.03	2614705	80599000	0.03	(22.92)

25

Net Worth and Turnover

Net Worth
Turnover

**March,31,
2025**

107,722,153
185,140,955

March,31, 2024

54,057,455
148,233,340

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

(Company Secretary)

SURENDRAKUMAR BADJATIA
DIRECTOR
DIN: 07501398

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

Place : Indore
Date : 01-05-2025

Place : Dewas
Date : 01-05-2025

Parag Fans & Cooling Systems Limited

26A. 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.

26B. 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.

Previous Year Figures

Previous year's figures have been regrouped, rearranged, or reclassified wherever necessary to conform to the current year's classification and presentation, without affecting the overall financial position and performance.

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

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 recognized 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.

Operating Segment

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

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 all applicable Indian Accounting Standards as notified by the Ministry of Corporate Affairs (MCA), including the amendments notified under the Companies (Indian Accounting Standards) Amendment Rules up to the date of approval of these financial statements.

There are no new standards or amendments to existing standards that have been issued by the MCA but are not yet effective as at the reporting date, which would have a material impact on the financial statements of the Company for the periods presented.

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

CA Dr. Ashok Kumar Pahwa

Partner

M. No. 077665

Place: Indore

Date: 01-05-2025

Surendra Kumar Badjatia

Director

DIN: 07501398

Place: Dewas

Date: 01-05-2025

Deepak Pagnis

Director

DIN: 02566436

Parag Fans And Cooling Systems Limited

27. Notes to Financial Statements- Other Disclosures as per Various IND-AS

1. Funding Pattern of the Company

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

Sr. No	Type Of Shares	Voting Rights	Amount as on 31-Mar-2025
1	Equity Shares	With Voting Rights	10,05,12,000.00
2	Preference Shares	Without Voting Rights	84,00,000.00
Total Equity Shares as on 31-03-2025			10,05,12,000.00
Total Equity Shares as on 31-03-2024			5,59,12,000.00

2. Contingent Liabilities :

- (i) **Related to other items :** A legal case is pending against the Company, filed by Mr. V. C. Sodhani, amounting to ₹2,24,305. The matter is currently sub judice, and the outcome is uncertain. Based on legal advice and management's assessment, the liability is considered possible but not probable at this stage. The management has expressed its intention to settle the amount, if required, upon receipt of an adverse order. Accordingly, no provision has been made in the books of account in accordance with Ind AS 37, and the matter has been disclosed as a contingent liability.
- (ii) **Details of disputed dues of Income Tax, Sales Tax, Value Added Tax are given below :**

Name of the Statute	Nature of Dues	Amount (In Rs.) (Total amount less amount paid)	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
Central Sales Tax	CST	3,40,781/-	Financial Year 2014-15
Central Sales Tax	CST	3,62,824/-	Financial Year 2016-17
Central Sales Tax	CST	52,310/-	Financial Year 2017-18 – Order received
MP VAT	VAT	52,656/-	Financial Year 2011-12 – Final Order Received
MP VAT	VAT	3,000/-	Financial Year 2017-18
Excise and Service tax	Service tax	7,51,064/-	From 2015 to June 17
Income Tax, 1961	Income Tax	25,32,424/- (2592624-60199)	Financial Year 2015-16
Income Tax, 1961	Penalty U/s 271(1)(c)	4,33,972/- (542465-108493)	Financial Year 2009-10
Income Tax, 1961	Interest u/s 220 (2)	97,408/-	Financial Year 2007-08

Income Tax, 1961	Interest u/s 271-C	89,119/-	Financial Year 2009-10
Income Tax, 1961	Intimation U/s 143(3)	1,80,942/-	Financial Year 2015-16
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	1,26,350/-	Financial Years 2020-21
Income Tax, 1961	TDS late filing fee U/s 234E of Income Tax Act	2,44,970/-	Financial Years 2019-20
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,45,690/-	Financial Years 2021-22
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,44,080/-	Financial Years 2022-23
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	2,66,100/-	Financial Years 2023-24
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	56,960/-	Financial Years 2024-25

3. Contingent Assets: Nil

4. Commitments:

- **Capital Commitments:** NIL
- **Other Commitments:** Nil

5. Payment to Statutory Auditors and Tax Auditors

Sr. No	Particulars	2024-25	2023-24
1	Audit Fees	75000.00	75000.00
2	Tax Audit Fees	25000.00	25000.00
3	Certification work	65000.00	65000.00

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

Sr. No	Particulars	Currency	As on 31-Mar-2025	As on 31-Mar-2024
1	Borrowings	NA	NIL	NIL
2	Sundry Creditors	NA	NIL	NIL
3	Sundry Debtors	USD	79,802	287,264.82

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

Sr. No	Particulars	2024-25	2023-24
A	Value of Imports Calculated on CIF; Raw Materials Stores & Spares Capital Goods	NO MATERIAL IMPORTED DURING THE YEAR	NO MATERIAL IMPORTED DURING THE YEAR
B	Expenditure in Foreign Currency; Professional & Consultancy Fees Traveling Expenses Contractual Obligations Others	USD 240,000 INR 20,512,800 INR 531,615	NIL
C	Value of Components, Spare Parts Imported Indigenous	NIL	NIL
D	Value of export USD INR SEZ INR	USD 656,135 INR 54,726,066 INR 2,801,995	- INR 35,119,955 INR 47,507

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

Sr. No	Particulars	Debit / Credit Balance as on 31-Mar-2025	Debit / Credit Balance as on 31-Mar-2024
1	Total Trade Receivables (Dr.) / Payables (Cr.) as per Financial Statements – Rs.	82930170/- Receivable 13690714/- Payable	80330954/- Receivable 29466731/- Payable
2	Balance Confirmations received for – Rs.	26777428/- Receivable	22476051/- Receivable
3	Percentage of Confirmations Received – (2 / 1) x 100	32.29% - Receivable NIL - Payable	27.98% - Receivable NIL - Payable

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

Sr. No	Particulars	2024-25	2023-24
1	Amount remaining unpaid to any supplier – • Principle		

	• Interest	<p>DETAILS OF MSME UNIT IS NOT AVIALABLE WITH THE COMPANY HENCE WE ARE NOT COMMENTING ON THE SAME</p>
2	Amount of interest paid in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 along with the amount paid to the supplier beyond the appointed day	
3	Amount of interest due and payable for the period of delay in making payment but without adding interest specified under Micro, Small & Medium Enterprises Development Act, 2006	
4	Amount of interest accrued and remaining unpaid	

Disclosure requirements of Indian Accounting Standards

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

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

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Total Debt – a	3,90,93,629.00	3,87,80,472.00
Total Equity (INCLUDING INT FREE UNSECURED LOANS FROM DIRECTORS AND SISTER CONCERNS – b	10,77,22,152.00	5,25,23,855.00
Debt : Equity Ratio – (a/b)	0.36	0.74

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

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

IND AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good and service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

As informed by the management the revenue is recognised as and when the performance obligation is satisfied. In absence of contract, the company is not in a position to disclose the transaction price of the contract, payment terms, etc..

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

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

Provident Fund

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

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

The amount of exchange difference (net) disclosed in the Statement of Profit & Loss is Rs. 30.46 Lacs (P.Y Rs. 3.93 Lacs)

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

1. Key Management Persons;

- Neelam Tanwani	Director
- Mr. Surendrakumar Badjatia	Director
- Mr. Sandeep Badjatia	Director
- Mr. Umesh Nambiar	Director
- Mr. Deepak Pagnis	Director

2. Impact Fans & Cooling System Ltd Subsidiary company

3. Disclosure of transactions with the Key Management Persons and subsidiary company

Impact Fans and Cooling Systems Ltd		
Purchase of goods (excluding gst)	3636000	0
Job work income (excluding gst)	39739220	29480970
Hire Charges (excluding gst)	480000	480000
Amount Paid	63180514	37940010
Directors		
Remuneration to Director - Umesh Nambiar	1122360	981710
Commission to Director - Umesh Nambiar	800000	-
Current account Expenses incurred for company by Director - Umesh Nambiar	4657866	-
Current account paid for Expenses in current account of Director - Umesh Nambiar	4857126	236065
Remuneration to Director - Deepak Pagnis	1122360	981710
Commission to Director - Deepak Pagnis	800000	-

Directors current account Expenses incurred for company by Director - Deepak Pagnis	2141432	-
Director's current account paid for Expenses to Director - Deepak Pagnis	2238065	-
Travelling expenses paid to Director - Deepak Pagnis	1952045	2776752
Closing Balance		
Impact Fans and Cooling Systems Ltd (Dr)	26777428	22476051
Directors current account Debit balance	148,315/-	-
Directors current account Credit balance	-	147,578/-

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

Particulars	2024-25	2023-24
Profit after Tax as per Statement of Profit & Loss	3866970	2762141
<u>Weighted Average No. of Equity Shares Outstanding:</u>		
Basic	8230542	5591200
Diluted	8727638	5591200
Basic EPS	0.47	0.49
Diluted EPS	0.44	0.49

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

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

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

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

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

CA Dr. Ashok Kumar Pahwa
Partner
M. No. 077665

Surendra Kumar Badjatia
Director
DIN: 07501398

Deepak Pagnis
Director
DIN: 02566436

Place: Indore
Date: 01-05-25

Place: Dewas
Date: 01-05-25

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF

PARAG FANS AND COOLING SYSTEMS LIMITED

Report on the audit of the consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Parag Fans and Cooling systems Ltd (CIN: - U51102MP1991PLC006760)** ("hereinafter referred to as the Parent Company") and its subsidiaries **Impact Fans and Cooling Systems Ltd (CIN:- U29268MH1994PLC096056)** (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow for the year ended on that date, and note to the consolidated financial statement including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, 2025, its Profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 by us as confirmation letter not made available to us.
4. 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).
5. The Subsidiary Company has not obtained an actuarial valuation report as required by AS 15 for employee benefits such as gratuity and leave encashment. In the absence of such a valuation, we are unable to determine the adjustments that might have been necessary in respect of provision for employee benefits and related expenses. (which will not be material as per management) Consequently, we are unable to determine whether any adjustments to these amounts are necessary in the financial statement of the group.

Emphasis of Matter

This being the first year of preparation of Consolidated Financial Statements by the Holding Company in accordance with the requirements of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS), the comparative figures for the previous year have not been presented. Our opinion is not modified in respect of this 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 parent 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 no material misstatement of this other information; we are required to report that fact and we have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Parent 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 Consolidated financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the Group'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 any of the Company / the group or to cease operations, or has no realistic alternative but to do so.

That Board of Directors is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 Consolidated 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 any of the Company's & the group 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 Consolidated 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's and the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 consolidated 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. The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is applicable only to the standalone financial statements of the Company. Accordingly, no report under the Order is included in respect of these consolidated financial statements.
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's and group so far as it appears from our examination of those books;
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with section 469 of the companies act and rule 7 of the Companies (Accounts) Rules 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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’s and group has pending court case as per note no. 25(2)(i) and an appeal pending with Income tax department as per note no.25(2)(ii) attached with the financial statements.
 - ii. The Company’s and group 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 any of the Company’s of the group.
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company’s and group to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company’s and group or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company’s and group from any persons or entities,

including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c. Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material mis-statement.
- v. No Dividend is declared or paid by the company during the year.
- vi. Provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2024, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is applicable for the financial year ended March 31, 2025 and properly maintained by the Company's and group.

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

Place: Indore
Date: 01-05-2025

CA Dr. Ashok Pahwa
Partner
M No-077665

Parag Fans and Cooling Systems Limited and Its Subsidiary Impact Fans and Cooling System Ltd
CIN- U51102MP1991PLC006760
Consolidated Balance Sheet of
As On 31-Mar-2025

(Amount in Rupee)			
S. No.	Particulars	Notes	As On 31-Mar-2025
ASSETS			
Non-Current Asset			
a	Property, Plant and Equipment	1	23,537,348
b	Capital Work in Progress	2	6,899,607
	Goodwill due to Consolidation	11A	22,208,753
c	Financial Assets	3	-
d	Investments	4	20,050
e	Other Non Current Assets	9	22,663,390
	Deferred Tax Asset (Net)	14	630,060
Current Assets			
a	Inventories	5	25,189,737
b	Financial Assets	3	-
c	Trade Receivable	6	80,594,400
d	Cash & Cash Equivalent	7	596,242
e	Other Bank Balances	8	3,141,154
f	Other Current Assets	9	1,919,624
Total Assets			187,400,365
EQUITY & LIABILITIES			
Equity			
a	Equity Share Capital	10	96,512,000
b	Other Equity	11	8,722,585
	Minority Interest	11B	6,601,226
Non-Current Liabilities			
Financial Liabilities			
a	Borrowings	12	8,134,145
b	Trade Payables	13	18,000
c	Other Non Current Liabilities	15	3,339,720
	Deferred Tax Liability (Net)	14	-
Current Liabilities			
a	Borrowings	12	36,506,770
b	Trade Payables	13	16,910,083
c	Other Current Liabilities	15	10,655,836
Total Assets			187,400,365
	Notes to Financial Statements	1-27	
	Significant Accounting Policies	26	

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 BADIJATIA
DIRECTOR
DIN: 07501398
Place : Dewas
Date : 01-05-2025

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

Company Secretary

CA (DR) JASHOK PAHWA
PARTNER
Mem No.077665
Place : Indore
Date : 01-05-2025

Parag Fans and Cooling Systems Limited and Its Subsidiary Impact Fans and Cooling System Ltd

CIN- U51102MP1991PLC006760

Statement Of Profit and Loss

For period ended on 31-Mar-2025

(Amount in Rupee)

S. No.	Particulars	Notes	Period ending on 31-Mar-2025
Income			
a	Revenue from Operations	16	185,140,955
b	Other income	17	6,497,613
Total Income			191,638,568
Expenses			
a	Cost of Material Consumed	18	90,428,797
b	Changes in Inventories of Finished Goods & Work - In - Progress	19	9,380,410
c	Employee benefits expense	20	30,404,400
d	Finance costs	21	4,739,982
e	Depreciation and amortisation expense	1	3,438,614
f	Other expenses	22	52,266,553
Total Expenses			190,678,816
Profit/(Loss) before exceptional item and tax			959,751
Exceptional Item (Net of Tax)			-8,447,921
Profit/(Loss) Before Tax			9,407,672
Tax Expense			
a	Current Tax Expense		2,295,000
b	Tax Adjustment of earlier year		126,080
c	Deferred Tax		82,579
Profit/(Loss) for the Year			690,013
Other Comprehensive Income			
Items That Will Not Be Reclassified to Profit and Loss			(736,228)
Tax on OCI items			-
Items That Will Be Reclassified to Profit and Loss			-
Total Comprehensive Income/(Loss)			(736,228)
Adjusted for Minority Interest			(255,117)
Adjustment for Cost of Control or goodwill			(765,351)
Earnings Per Share of Rs 10 each fully paid			
Basic			0.76
Diluted			0.71
Notes to Financial Statements			
			1-27
Significant Accounting Policies			
			26

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 BADIATIA

DEEPAK PAGNIS

CA (DR) ASHOK PAHWA

DIRECTOR

DIRECTOR

PARTNER

DIN: 02501398

DIN: 02566436

Mem No.077665

Place : Dewas

Place : Indore

Date : 01-05-2025

Date : 01-05-2025

Company Secretary

Parag Fans & Cooling Systems Limited
CIN- U51102MP1991PLC006760
Statement of Changes in Equity
For period ended on 31-Mar-2025

A. Equity Share Capital

(Amount in Rupee)

Particulars	31/03/2025	31/03/2024
Balance at the beginning for the year	55,912,000	55,912,000
Changes in Capital During the Year	44,600,000	-
Balance at the end of the year	100,512,000	55,912,000

B. Other Equity

(Amount in Rupee)

Particulars	DSIR Project	Security Premium	Preference Share Capital	Retained earnings	Total Other Equity
Balance as on 31-March-2023	2,000,000	24,687,000	-	(33,622,295)	(6,935,294)
Addition / Reduction during the year	-	-	-	-	-
Profit/ (Loss) for the Year	-	-	-	2,762,141	2,762,141
Other Comprehensive reserve	-	-	-	(147,436)	(147,436)
Closing balance as on 31-March-2024	2,000,000	24,687,000	-	(31,007,590)	(4,320,590)
Addition / Reduction during the year (share issued other than cash consideration)	-	-	8,400,000	-	8,400,000
Profit/ (Loss) for the Year	-	-	-	3,866,970	3,866,970
Other Comprehensive reserve	-	-	-	(736,228)	(736,228)
Share in Profit of IFCL for consolidation	-	-	-	-	1,512,432
Closing balance as on 31-March-2025	2,000,000	24,687,000	8,400,000	(27,876,848)	8,722,585

Parag Fans and Cooling Systems Limited and its Subsidiary Impact Fans and Cooling System Ltd
CIN- U51102MP1991PLC006760
Statement of Cash Flow
For Period Ended on 31-Mar-2025

		(Amount in Rupee)
S. No	Particulars	2024-25
I	Cash Flow From Operating Activity	
	Net Profit / (Loss) After Tax	6,804,013
	Adjustments for:	-
	Depreciation and Amortisation	5,438,614
	Finance Costs	4,739,982
	Interest Income	-193,332
	Creditors Write Back	-
	Deferred Tax	82,579
	Other Comprehensive Income	-736,128
	Operating profit / (loss) before working capital changes	14,285,629
	Changes in working capital	
	Adjustments for (increase) / decrease in operating assets	
	Inventories	8,018,115
	Financial Assets	-
	Trade Receivable	-18,858,440
	Other Bank Balances	-171,176
	Other Current Assets	2,002,709
	Adjustments for increase / (decrease) in operating liabilities	
	Trade Payables	-9,195,807
	Other Current Liabilities	4,260,501
	Net cash flow from / (used in) operating Activities (A)	850,551
II	Cash Flow From Investing Activity	
	Investment in Capital Expenditure	-4,629,217
	Net cash flow from / (used in) Investing Activities (B)	(4,629,217)
III	Cash Flow From Financing Activity	
	Proceeds From Equity Shares / Preference Shares	12,500,000
	Proceeds From Borrowings	3,467,820
	Finance Cost	-4,739,982
	Interest Income	193,332
	Net cash flow from / (used in) Financing Activities (C)	4,490,530
D	Net Increase / decrease in cash & cash equivalent (A+B+C)	211,844
E	Cash & Cash Equivalent at the Beginning of Year	384,398
	Cash & Cash Equivalent at the End of Year (D+E)	596,242

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

SURENDRAKUMAR BAOJATIA DEEPAK PAGNIS
DIRECTOR DIRECTOR
DIN: 07501398 DIN: 02566436
Place : Dewas
Date : 01-05-2025

Company Secretary

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

CA (DR) JASHOK PAHWIA
PARTNER
Mem No.077665
Place : Indore
Date : 01-05-2025

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 and group for the year ended as on 31st March 2025. The statement has been prepared by the Company in accordance with the requirement of IND AS and in agreement with the corresponding statement of profit and loss and balance sheet of the company covered by our report of 1st May 2025 to the member of the company.

Place : Indore
Date : 01-05-2025

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

CA Dr. Ashok Pahiwa
Partner
M. No. 077665

1. Property, Plant and Equipment
For period ended on 31-Mar-2025

(Amount in Rupee)

Particulars	Gross Carrying Value			Accumulated Depreciation & Amortization			Net carrying amount as on	
	As on 1-Apr-2024	Additions During the Year	As on 31-Mar-2025	Upto 1-Apr-2024	Depreciation During the Year	Upto 31-Mar-2025	31/03/2025	31/03/2024
Land	818,983	-	818,983	-	-	-	818,983	818,983
Previous Year	818,983	-	818,983	-	-	-	818,983	818,983
Building	27,771,983	1,144,034	28,916,017	13,832,111	1,331,983	15,164,094	13,751,923	13,939,871
Previous Year	27,771,983	-	27,771,983	13,532,642	299,469	13,832,111	13,939,871	2,095,652
Site Development	807,895	-	807,895	767,517	-	767,517	40,378	40,378
Previous Year	807,895	-	807,895	756,790	10,727	767,517	40,378	51,105
Plant & Machinery	42,720,540	2,401,737	45,122,277	39,459,758	689,533	40,149,291	4,972,986	3,260,782
Previous Year	42,720,540	-	42,720,540	39,460,061	-303	39,459,758	3,260,782	3,260,479
Computers & Printers	395,080	65,683	460,773	232,601	126,295	358,896	101,877	162,479
Previous Year	292,735	102,345	395,080	138,574	94,027	232,601	162,479	154,161
Furniture & Fixtures	3,068,642	61,200	3,129,842	1,894,397	195,796	2,090,193	1,038,649	1,174,245
Previous Year	3,068,642	-	3,068,642	1,511,980	382,417	1,894,397	1,174,245	1,556,662
Office Equipments	430,266	956,553	1,386,819	266,402	224,894	491,296	895,522	163,864
Previous Year	290,220	140,046	430,266	247,891	18,511	266,402	163,864	42,129
Vehicles	8,091,760	-	8,091,760	5,305,617	870,113	6,175,730	1,916,030	2,786,142
Previous Year	7,153,956	937,804	8,091,760	5,305,617	-	5,305,617	2,786,142	1,848,339
Total	84,105,149	4,629,217	88,734,366	61,758,403	3,438,614	65,197,018	23,537,348	22,346,745
Previous Year	82,924,954	1,180,195	84,105,149	60,953,556	804,848	61,758,403	22,346,745	9,827,710

2. Capital Work In Progress

(Amount in Rupee)

Particulars	As on 31-Mar-2025
OSIR Project	6,899,607
Total	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-2025	
	Non-Current	Current
Other	-	-
Total	-	-

Explanatory Note:

N/A

4. Investments (Part of Financial Assets)

Particulars	As on 31-Mar-2025	
	Non-Current	Current
Equity Shares (Quoted)		
State Bank of India	2,050	-
Bank of India	18,000	-
Total	20,050	-

Explanatory Note:

01. In respect of quoted investments in equity shares, the company does not possess details of the physical share certificates or related demat account information. As a result, the number of shares held could not be confirmed. However, since the company had received dividends from these investments in earlier years, it has decided to continue carrying the related balances in the books.

02. The company acquired 75% equity shares in the subsidiary by issuing its own equity and preference shares to the shareholders of the subsidiary, pursuant to a preferential allotment. All such transactions are considered under different calculations of consolidation as per Ind AS.

5. Inventories

(as physically verified by the management)

Particulars	As on 31-Mar-2025
Raw Material	11,229,685
Finished Goods & WIP	33,960,052
Total	25,189,737

6. Trade Receivable (net)

Particulars	As on 31-Mar-2025
Unsecured, Considered Good	
Domestic Sales	
More Than Six Months	24,942,880
Less Than Six Months	46,773,641
Adjustment of Inter company Transactions	(26,777,428)
Export Sales	
More Than Six Months	79,633
Less Than Six Months	8,616,558
Provision for Doubtful Debts	-
Others-Advance to Creditors	181,689
Total	53,816,972

Explanatory Note:

1. There 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.

2. Recoverable from three parties amount worth Rs.4814880, Court Case pending for Recovery. Management view is that full amount is recoverable. Hence, no provision for Doubtful Debts is created.

7. Cash & Cash Equivalent

Particulars	As on 31-Mar-2025
Cash In Hand (as physically verified by the management)	252,895
III Banks	343,347
Total	596,242

8. Other Bank Balances

Particulars	As on 31-Mar-2025
Bank Deposit for BG	3,141,154
Total	3,141,154

9. Other Non Current / Current Assets

Particulars	As on 31-Mar-2025	
	Non-Current	Current
Religare Finvest Ltd. (TDS Refund)	-	334,011
Short Term Loans & Advances		
Credit Card	-	-
Advance to Employees	-	358,892
To Related Party - Interest free	17,344,006	-
Appeal Deposit		
Appeal Deposit - Sales Tax / GST	1,744,922	-
Excise and Service Tax	-	-
Income Tax	2,753,825	-
Recoverable from Tax Authorities		
Income Tax	412,313	-
GST (net)	-	1,226,711
Security Deposit		
Others	144,000	-
Utilities	364,324	-
Total	22,663,390	1,919,624

10. Equity Share Capital

Particulars	As on 31-Mar-2025	
	No. Of Shares	Amount
Authorised Share Capital (Rs. 10 / Share)		
	5,600,000	56,000,000
Issued, Subscribed and Fully Paid	10,051,200	100,512,000
Par Value Per Share (Rs. 10)		
Less: Adjustment of Inter company holding	(400,000)	(4,000,000)

As on 31-Mar-2025		
Reconciliation of No. Of Shares & Share Capital	No. Of Shares	Amount
Outstanding:		
Opening Share Capital	5,591,200	55,912,000
Add: No. of Share, Share Capital Issued/Subscribed during the Year (share issued other than cash consideration)[note-1]	4,460,000	44,600,000
Less: Adjustment of Inter company holding	(400,000)	(4,000,000)
Closing Share Capital	9,651,200	96,512,000

Note-1 out of above 3210000 equity shares of Rs 10 each fully paid up issued other than cash consideration for aquisition of 535000 equity shares of Rs 10 each in Impact fans and cooling systems Ltd

As on 31-Mar-2025		
Shares in the Company held by Shareholder holding more than 5%	No. Of Shares	% Holding
Sandeep Badjatia	5,607,799	58.79%
Impact Projects & Consultants Pvt. Ltd.	665,971	6.83%
Therese Patterson Grefer	1,230,000	12.24%
Total	7,503,770	74.66%

Shares held by Holding Company and Subsidiary of Holding Company in Aggregate

(Which is eliminated under Adjustment of Inter company holding)

Particulars	As at 31st March 2025
Equity Shares of Rs 10	
	4000000
400000 (31st March 2024: 400000) shares are held by Impact Fans and Cooling Systems Pvt Ltd., the Subsidiary Company	
Total	4000000

11. Other Equity

Particulars	DSIR Project	Security Premium	Preference Share Capital	Retained earnings	Total Other Equity
Balance as on 31-March-2023	2,000,000	24,687,000	-	(33,622,295)	(6,935,294)
Addition / Reduction during the year	-	-	-	-	-
Profit/ (Loss) for the Year	-	-	-	2,762,141	2,762,141
Other Comprehensive reserve	-	-	-	(147,436)	(147,436)
Closing balance as on 31-March-2024	2,000,000	24,687,000	-	(31,007,590)	(4,320,590)
Addition / Reduction during the year (share issued other than cash consideration)	-	-	8,400,000	-	8,400,000
Profit/ (Loss) for the Year	-	-	-	3,866,970	3,866,970
Other Comprehensive reserve	-	-	-	(736,228)	(736,228)
Closing balance as on 31-March-2025	2,000,000	24,687,000	8,400,000	(27,876,848)	7,210,153

Explanatory Notes:

Details regarding DSIR Project is not available with the company.

In relation to 840000 (CCPS) Compulsory convertible preference share capital of Rs 10 each which are issued other than cash consideration for purchase of 140000 equity shares of Rs 10 each in Impact fans and cooling systems ltd

12. Borrowings

Particulars	As on 31-Mar-2025	
	Non-Current	Current
Term Loan / EPC - From Banks	5,976,602	20,689,637
Term Loan - Others	2,157,543	726,530
Bank - Cash Credit / OD	-	14,890,604
Total	8,134,145	36,506,770

Notes:
Bank of India Working Capital Term Loan (WCTL)

- Nature :- Secured Loan (Non Current)
- Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use
- Repayment :- Interest monthly/ Principal Quarterly
- Period/Interest :- 60 months / 9.25%
- Security :- Equitable Mortgage of Lease hold land and Building / shed constructed thereon situated at plot no 18/2B & 1B / 3A, Industrial area no 01, A B Road, Dewas in the name of the company. Hypothecation of Stocks and Book Debts as well as personal guarantee of Directors namely Mr Sandeep Badjatia, Mr Deepak Pagnis and Mr Umesh Nambiar.

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, Accelerator, 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

Bank of India Export Credit Limit

- Nature :- Secured Loan
- Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use
- Repayment :- Demand loan
- Period/Interest :- 12 months / 9.35%
- Security :- Equitable Mortgage of Lease hold land and Building / shed constructed thereon situated at plot no 18/2B & 1B / 3A, Industrial area no 01, A B Road, Dewas in the name of the company. Hypothecation of Stocks and Book Debts as well as personal guarantee of Directors namely Mr Sandeep Badjatia, Mr Deepak Pagnis and Mr Umesh Nambiar.

Bank of India Cash Credit Limit / OD

- Nature :- Secured Loan
- Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use
- Repayment :- Demand loan
- Period/Interest :- 12 months / 10.91%
- Security :- Equitable Mortgage of Lease hold land and Building / shed constructed thereon situated at plot no 18/2B & 1B / 3A, Industrial area no 01, A B Road, Dewas in the name of the company. Hypothecation of Stocks and Book Debts as well as personal guarantee of Directors namely Mr Sandeep Badjatia, Mr Deepak Pagnis and Mr Umesh Nambiar.

Religare Finvest Limited -(Related to Subsidiary Company)

- Nature :- Secured Loan (Non Current)
- Purpose :- Manufacturing of fibre glass Reinforced Plastic (FRP) Fans for industrial use
- Repayment :- 120 months
- Period/Interest :- 14.50%
- Security :- Loan against property from Religare Finvest Ltd secured by hypothecation against immovable property (Land and Building) of the company situated at plot no B-121/2 MIDC, Butibori Industrial area, District Nagpur (M.H.)

13. Trade Payables (net)

Particulars	As on 31-Mar-2025	
	Non-Current	Current
MSME [see note below @]	-	-
Other Category	-	-
For Material and services (Including Directors current account of Rs Q/-, PY Rs 194376/-)	18,000	16,780,370
For Miscellaneous / (Receivable)	-	44,608
Advance From Debtors	-	85,105
Total	18,000	16,910,083

@ 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. All the payables are considered in Other than MSME category.

14. Deferred Tax (Net)

Particulars	As on 31-Mar-2025
Opening Deferred Tax Asset	(712639)
Current Year Timing Difference	82,579
Total Deferred tax Liability/(Asset)	(630060)

15. Other Current Liabilities

Particulars	As on 31-Mar-2025	
	Non-Current	Current
Statutory Dues Payable		
Employee Related	-	105,071
Fee & interest payable on statutory dues	-	806,848
Sales Tax / VAT / GST Payable	-	193,126
TDS payable / Professional tax payable	-	580,649
Provision for Income tax (Net)	-	1,216,081
Provision for Bonus	-	485,218
Provision for gratuity	3,339,720	880,971
Expenses Payable		
Director's Sitting Fees	-	2,000
Salary Payable	-	2,900,203
Tour Expenses - Employee	-	-
Electricity expenses Payable	-	-
LAP Next Year Installment (Religare)	-	3,485,669
Total	3,339,720	10,655,836

Statement of classification of Employee benefits related to Gratuity as per valuation report(post employment benefit's of Parant company)**Part of Note number 15 Item Provision for gratuity**

Particulars	31/03/2025
Opening gross defined benefit liability/ (asset)	3564062
Expenses to be recognized in P&L	430532
OCI- Actuarial (gain)/ loss-Total current period	736328
Benefits paid (if any)	(510131)
Closing gross defined benefit liability/ (asset)	4220691
Current Liability (Short Term)*	880971
Non-Current Liability (Long Term)	3339720
Total Liability	4220691

Note:

11A	Cost of Control / Goodwill (Due to consolidation)	2024-25	
		Amount	Amount
	Cost of Investment (By PFCL in IFCL)		40500000
	Cost of Investment (By IFCL in PFCL)		4000000
	Value of Equity of IFCL		
	Share capital Of IFCL	9000000	
	Reserve and surplus as on Date of Investment	15388329	
	Total shareholders fund as on DOI	<u>24388329</u>	18291247
	Value of Equity of PFCL		4000000
	Goodwill due to Consolidation		<u>22208753</u>
11B	Minority Interest (Due to Consolidation)		
	Share in shareholders fund as on date of Investment		6097082
	Share in revenue profit		504143
	Value of share held by outsider at the end of year		<u>6601226</u>

400000 Shares in Parag held by Impact fans
 aquasition at par hence considred as no goodwill or capital reserve
 by Impact in parag march 2019

shares held by Parag in impact fans		675000
Total share of Impact fans		900000
% of Holding by Parag Fans in Impact fans DOI		75.00 28/08/2024
Balance of Reserve and Surplus at the end of year		17404905
Less Value of reserve and surplus as on DOI		15388329
Revenue profit from DOI to year end (31-03-2025)		2016575
Share of PFCL		1512432
Share of MI		504143
Balance of reserve and surplus as on DOI		15388329
Balance of reserve and surplus as on 31-03-2024		14,367,862
Profit from beg of year to DOI		1,020,468
Transfer to MI		255,117
Transfer to Copst of control		765,351

Parag Fans and Cooling Systems Limited and Its Subsidiary Impact Fans and Cooling System Ltd

CIN- U51102MP1991PLC006760

Notes to the Accounts for the Year ended 31st March 2023

6 TRADE RECIEVABLES (Net of Provision)

31st March 2025

Particulars	Less Than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than three years	Less: Allowance for bad and doubtful debts	Total
Secured Trade Receivable							-
Total	-	-	-	-	-	-	-
Unsecured Trade Receivable							
Undisputed Trade Receivables - considered good	82,349,315	282,085	803,892	1,454,687	17,666,969	-	102,556,948
Disputed Trade Receivables - considered good							4,814,680
Disputed Trade Receivables - considered doubtful							-
Total	82,349,315	282,085	803,892	1,454,687	17,666,969	-	107,371,828
Grand Total	82,349,315	282,085	803,892	1,454,687	17,666,969	-	107,371,828

Adjustment of Inter company transaction

Impact Fans & Cooling System Ltd

Net Balance Carried down to Consolidated balance sheet

26,777,428

80,594,401

16. Revenue From Operations**(Amount in Rupee)**

Consolidated

Particulars**For Period Ending 31-Mar-2025****Fan Sales**

Domestic	127,254,893
Export	57,528,061
SEZ	
Packing & Forwarding	358,000

Total	185,140,955
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17. Other Income**Particulars****For Period Ending 31-Mar-2025**

Car Hire Charges	-
Consultancy & Installation	
Repair to FRP Fan Blade	
Round Off	33
<u>Interest Income</u>	-
MPSEB	3,242
Deposit with bank	190,090
Dividend Income	-
Discount on Purchase	207,345
Foreign Exchange Gain	3,045,984
Sundry balance written off	3,050,919
Interest received from others	-

Total	6,497,613
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18. Cost of Material Consumed**Particulars****For Period Ending 31-Mar-2025**

Opening Stock of RM	9,867,390
Add:	
Purchases	
Manufacturing	72,593,280
Electrical	226,053
Packing & Forwarding	2,697,856
Manufacturing Expenses	
Job Work Charges	5,056,471
(Paid to subsidiary concern 3,97,39,220/- (PY 2,94,80,970/-))	-
Transportation	10,834,418
Rent	-
(Related Party Disclosure)	-
Other Expenses	39,467
Power & Fuel	343,547

Less:

Closing Stock of RM	11,229,685
Total	90,428,797

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

Particulars	For Period Ending 31-Mar-2025
Closing Stock Of Finished Goods & Work In Progress	13,960,052
Opening Stock Of Finished Goods & Work In Progress	23,340,462
Total	9,380,410

20. Employee benefits expense

Particulars	For Period Ending 31-Mar-2025
Salaries & Wages	25,380,210
Bonus	748,998
Gratuity	430,532
Director Remuneration	3,844,720
Total	30,404,460

21. Finance costs

Particulars	For Period Ending 31-Mar-2025
Interest Expense	3,605,562
Commission & Other Charges	1,134,420
Total	4,739,982

22. Other Expenses

Particulars	For Period Ending 31-Mar-2025
Manufacturing Expenses	676,789
Administrative Expense	-
Professional & Consultancy	-
Internal Audit fees	-
Legal and consultancy fee	15,619,893
Commission	6,576,000
Travelling Exp	2,993,887
(Including directors travelling of Rs2776752, PY Rs 715675)	-
Business Promotion	76,565
Bonus 2022-23	-
Bonus 2023-24	-
Certificate Of origin Charges	1,575
Repairs & Maintenance	781,818
Prior period item	-
Duties, Rates & Taxes	828,414
Insurance Expenses	119,088
Discount	10,636
Donation and Charity	600,000

Miscellaneous Expense	23,786,889
<u>Payment to Auditor</u>	-
Audit Fees	100,000
Tax audit fees	40,000
Certification fee	75,000
Total	52,286,553

g Fans and Cooling Systems Limited and Its Subsidiary Impact Fans and Cooling System
CIN- U51102MP1991PLC006760

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

24 OTHER DISCLOSURES

- a In the opinion of the Board, all assets other than Property, Plant and Equipment, intangible assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- b No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- c The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- d The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956
- e The Company has complied the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- f No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current as well as the previous year.
- g (i) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
(ii) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- h The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act. 1961)
- i The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year as well as in the previous financial year.
- j The Company has not made any contribution to any political party during the current financial year as well as in the previous financial year.

Note 23. FAIR VALUE MEASUREMENTS

a) Financial instruments by category

PARTICULARS	March,31, 2025		
	FVOCI	Amortised Cost	Cost
Financial Assets			
Investments	40,520,050		
Loans		892,158	
Trade Receivable		82,217,993	
Cash and cash equivalents		259,557	
Other Current Financial Assets		3,141,154	
Total	40,520,050	86,510,861	-
Financial Liabilities			
Borrowings		39,093,629	
Trade Payables		13,690,714	
Other current financial liabilities		4,849,943	
Total	-	57,634,286	-

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, 2025		
	Level 1	Level 2	Level 3
Financial Assets			
Investments	40,520,050		-
Loans			892,158
Trade receivable			82,217,993
Cash and Cash Equivalents			259,557
Others Financial assets			3,141,154
Financial Liabilities			
Short term burrowings			39,093,629
Trade Payable			13,690,714
Other financial liabilities			4,849,943

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 and Its Subsidiary Impact Fans and Cooling System Ltd
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2025

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 transaction 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 attributable to the instrument. The estimates presented herein are not necessarily indicative of the amount the Company could

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 carrying amount largely due to the short-term maturities of these instruments.

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

CA (DR) ASHOK PAHWA
PARTNER
Mem No.077665

Place : Indore
Date : 01-05-2025

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

SURENDRA KUMAR BADJATIA
Director
DIN: 07501398

DEEPAK PAGNIS
Director
DIN: 02566436

(Company Secretary)
Date : 01-05-2025

Parag Fans and Cooling Systems Limited and Its Subsidiary Impact Fans and Cooling System Ltd
CIN- U51102MP1991PLC006760

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31ST MARCH, 2025

k Analytical Ratios			March,31, 2025		
	Ratio	Formula	Numerator	Denominator	Ratio
(i)	Current Ratio	Current Assets / Current Liabilities	111441157	64072689	1.74
(ii)	Debt Equity Ratio	Total Debt / Shareholders Equity	44640915	105234585	0.42
(iii)	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	9138348	4739982	1.93
(iv)	Return on Equity (ROE)	Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	6167785	105234585	0.06
(v)	Inventory Turnover Ratio	Sales / Closing Inventory	185140955	25189737	7.35
(vi)	Trade receivables turnover ratio	Sales / Closing trade receivables	185140955	80594400	2.30
(vii)	Trade payables turnover ratio	Purchases / Trade Payables	75517189	16928083	4.46
(viii)	Net capital turnover ratio	Net Sales / Average Working Capital	185140955	47368468	3.91
(ix)	Net profit ratio	Net profit / Net Sales	6167785	185140955	0.03
(x)	Return on capital employed	Earning before interest and taxes / Capital Employed	5699733	149875500	0.04
(xi)	Return on investment	Profit after tax / Equity share capital + Instruments entirely equity in nature + Securities premium	6167785	121199000	0.05

25

Net Worth and Turnover

Net Worth
Turnover

**March,31,
2025**

105,234,585
185,140,955

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

(Company Secretary)

SURENDRAKUMAR BADJATIA
DIRECTOR
DIN: 07501398

DEEPAK PAGNIS
DIRECTOR
DIN: 02566436

Place : Indore
Date : 01-05-2025

Place : Dewas
Date : 01-05-2025

Parag Fans & Cooling Systems Limited (PFCSL) and Its subsidiary Impact Fans and Cooling Systems Limited (IFCSL)

26A. 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.

Impact Fans and Cooling Systems Limited ("the Company") is a Public company incorporated in India. The registered office of the company is located at B-121/2, M.I.D.C. Butibori, Nagpur, Maharashtra- 441122, India.

Activity

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

IFCSL- The company is engaged in manufacturing of high-efficiency axial flow FRP (fibre glass reinforced plastic) & other related components and engaged in trading of fans and other items and supply of labour to other companies in same industry.

26B. Significant Accounting Policies

Basis of preparation of Financial Statement of PFCSL

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.

Basis of preparation of Financial Statement of IFCSL

The Company prepared its financial statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements includes Balance Sheet as at 31 March 2025, the statement of Profit and Loss including Other Comprehensive Income and cash flows and statement of changes in equity for the year ended 31 March 2025, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements" or "financial statements"). The Financial Information for the year ended 31 March 2025 and year ended 31 March 2024 has been

prepared on an accrual basis and a historical cost convention, except for the financial assets and liabilities which have been measured at fair value (disclosed through the explanatory notes wherever applicable)

Accounting policies and methods of computation followed in the Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2024, except for adoption of new standard or any pronouncements effective from 1 April 2023.

Ind AS 115 Revenue from Contracts with Customers, became mandatory for reporting periods beginning on or after 01 April 2023 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.

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.

Disclosure in respect of IND AS 101 - first time adoption of Indian accounting standard

The financial statements for the year ended 31st March 2025 have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. These are the Company's first Ind AS financial statements, with comparative information for the year ended 31st March 2024 and the opening balance sheet as at 1st April 2023 (the date of transition) also prepared under Ind AS.

In preparing these financial statements in accordance with Ind AS 101 – *First-Time Adoption of Indian Accounting Standards*, the Company has applied the accounting policies consistently across all periods presented, except where Ind AS 101 permits or requires exemptions as set out below:

1. Property, Plant and Equipment (PPE): Deemed Cost Exemption

The Company has elected to apply the exemption under paragraph D7AA of Appendix D to Ind AS 101. Accordingly, the carrying amount of PPE as per the previous GAAP has been considered as the deemed cost on the date of transition to Ind AS (i.e., 1st April 2023). No adjustments have been made to the carrying values of PPE on transition.

2. Classification and Measurement of Financial Assets and Financial Liabilities

In accordance with paragraphs B8C and D20 of Ind AS 101, the Company has elected to apply the requirements of Ind AS 109 – *Financial Instruments*, prospectively to transactions entered into on or after the date of transition (i.e., 1st April 2023). Consequently, classification of financial assets and financial liabilities has been carried out based on the facts and circumstances existing at the date of transition.

3. Impact of Transition to Ind AS

The transition from previous GAAP to Ind AS has not resulted in any material adjustments to the Company's equity, total comprehensive income, or cash flows. Accordingly, as per the requirements of paragraphs 24 and 25 of Ind AS 101, reconciliation of equity and total comprehensive income from previous GAAP to Ind AS is not presented, since there is no impact due to fair value measurements or reclassifications of financial assets and liabilities.

Reconciliation of Equity as at 1st April 2023 (Date of Transition)

Details	Amount (₹ in Lakhs)
Equity under Previous GAAP	90.00
Adjustments due to Ind AS transition	Nil
Equity under Ind AS	90.00

Reconciliation of Total Comprehensive Income for the year ended 31st March 2024

Particulars	Amount (₹ in Lakhs)
Net profit as per Previous GAAP	27.35
Fair value adjustments	Nil
Reclassifications	Nil
Total Comprehensive Income under Ind AS	27.35

Reconciliation of Cash Flow Statement

There are no material differences between the cash flows under Previous GAAP and those under Ind AS.

Disclosure in respect of Indian accounting standard 107 - Financial Instrument: disclosures

The requirements of Ind AS 107 – Financial Instruments: Disclosures are not applicable to the Company for the current financial year, as the Company has not entered into any transactions or arrangements falling within the scope of this Standard. Accordingly, no disclosures are warranted under this Standard.

Disclosure in respect of Indian accounting standard 108 - Operating segment

The Company operates in a single business and geographical segment. In accordance with Ind AS 108 – *Operating Segments*, no separate segment disclosures are required to be presented, as the Company's business activities do not fall under multiple operating segments as defined in the Standard.

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

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 unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

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

Earnings 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).

Financial 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 recognized 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.

Operating Segment

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

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.

Previous Year Figures

Previous year's figures have been regrouped, rearranged, or reclassified wherever necessary to conform to the current year's classification and presentation, without affecting the overall financial position and performance.

Standards issued but not effective

The Company has applied all applicable Indian Accounting Standards as notified by the Ministry of Corporate Affairs (MCA), including the amendments notified under the Companies (Indian Accounting Standards) Amendment Rules up to the date of approval of these financial statements.

There are no new standards or amendments to existing standards that have been issued by the MCA but are not yet effective as at the reporting date, which would have a material impact on the financial statements of the Company for the periods presented.

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

CA Dr. Ashok Kumar Pahwa

Partner

M. No. 077665

Place: Indore

Date: 01-05-2025

Surendra Kumar Badjatia

Director

DIN: 07501398

Place: Dewas

Date: 01-05-2025

Deepak Pagnis

Director

DIN: 02566436

Parag Fans and Cooling Systems Limited and its subsidiaries Impact Fans and Cooling Systems Limited

27. Notes to Financial Statements- Other Disclosures as per Various IND-AS

1. This is the first year in which the Company has prepared Consolidated Financial Statements pursuant to the requirements of Section 129(3) of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, no comparative figures for the previous year have been presented.

2. Funding Pattern of the Company

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

Sr. No	Type Of Shares	Voting Rights	Amount as on 31-Mar-2025
1	Equity Shares	With Voting Rights	10,05,12,000.00
2	Preference Shares	Without Voting Rights	84,00,000.00
Total Equity Shares as on 31-03-2025			10,05,12,000.00
Less: Face value of shares held by Subsidiary company			40,00,000.00
Total equity shares as on 31-03-2025 held outside the group			9,65,12,000.00
Total Equity Shares as on 31-03-2024			5,59,12,000.00

3. Contingent Liabilities :

a. Related to Parag Fans and Cooling system limited

- (i) **Related to other items:** A legal case is pending against the Company, filed by Mr. V. C. Sodhani, amounting to ₹2,24,305. The matter is currently sub judice, and the outcome is uncertain. Based on legal advice and management's assessment, the liability is considered possible but not probable at this stage. The management has expressed its intention to settle the amount, if required, upon receipt of an adverse order. Accordingly, no provision has been made in the books of account in accordance with Ind AS 37, and the matter has been disclosed as a contingent liability.
- (ii) **Details of disputed dues of Income Tax, Sales Tax, Value Added Tax are given below :**

Name of the Statute	Nature of Dues	Amount (In Rs.) (Total amount less amount paid)	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
Central Sales Tax	CST	3,40,781/-	Financial Year 2014-15
Central Sales Tax	CST	3,62,824/-	Financial Year 2016-17
Central Sales Tax	CST	52,310/-	Financial Year 2017-18 – Order received

MP VAT	VAT	52,656/-	Financial Year 2011-12 – Final Order Received
MP VAT	VAT	3,000/-	Financial Year 2017-18
Excise and Service tax	Service tax	7,51,064/-	From 2015 to June 17
Income Tax, 1961	Income Tax	25,32,424/- (2592624-60199)	Financial Year 2015-16
Income Tax, 1961	Penalty U/s 271(1)(c)	4,33,972/- (542465-108493)	Financial Year 2009-10
Income Tax, 1961	Interest u/s 220 (2)	97,408/-	Financial Year 2007-08
Income Tax, 1961	Interest u/s 271-C	89,119/-	Financial Year 2009-10
Income Tax, 1961	Intimation U/s 143(3)	1,80,942/-	Financial Year 2015-16
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	1,26,350/-	Financial Years 2020-21
Income Tax, 1961	TDS late filing fee U/s 234E of Income Tax Act	2,44,970/-	Financial Years 2019-20
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,45,690/-	Financial Years 2021-22
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	1,44,080/-	Financial Years 2022-23
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	2,66,100/-	Financial Years 2023-24
Income Tax, 1961	Interest on tax payment and TDS late filing fee U/s 234E of Income Tax Act	56,960/-	Financial Years 2024-25

b. Impact Fans and Cooling System Limited

Details of disputed dues of Income Tax

Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which amount relates
Income Tax, 1961	Income Tax	3,68,218/-	Financial Year 2015-16
Income Tax, 1961	Income Tax	19,730/-	Financial Year 2016-17

4. Contingent Assets: Nil

5. Commitments:

- Capital Commitments: NIL
- Other Commitments: Nil

6. Payment to Statutory Auditors and Tax Auditors

Sr. No	Particulars	2024-25	2023-24
1	Audit Fees	100000.00	100000.00
2	Tax Audit Fees	40000.00	40000.00
3	Certification work	75000.00	70000.00

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

Sr. No	Particulars	Currency	As on 31-Mar-2025	As on 31-Mar-2024
1	Borrowings	NA	NIL	NIL
2	Sundry Creditors	NA	NIL	NIL
3	Sundry Debtors	USD	79,802	287,264.82

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

Sr. No	Particulars	2024-25	2023-24
A	Value of Imports Calculated on CIF; Raw Materials Stores & Spares Capital Goods	NO MATERIAL IMPORTED DURING THE YEAR	NO MATERIAL IMPORTED DURING THE YEAR
B	Expenditure in Foreign Currency; Professional & Consultancy Fees Traveling Expenses Contractual Obligations Others	USD 240,000 INR 20,512,800 INR 531,615	NIL
C	Value of Components, Spare Parts Imported Indigenous	NIL	NIL
D	Value of export USD INR SEZ	USD 656,135 INR 54,726,066	- INR 35,119,955

	INR	INR 2,801,995	INR 47,507
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9. Some of the Debit / Credit Balances of parties are subject to confirmations & reconciliations, consequential impact thereof is as under shown in Standalone Financial Statement of respective Companies.

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

Sr. No	Particulars	2024-25	2023-24
1	Amount remaining unpaid to any supplier – • Principle • Interest	DETAILS OF MSME UNIT IS NOT AVIALABLE WITH THE COMPANY HENCE WE ARE NOT COMMENTING ON THE SAME	
2	Amount of interest paid in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 along with the amount paid to the supplier beyond the appointed day		
3	Amount of interest due and payable for the period of delay in making payment but without adding interest specified under Micro, Small & Medium Enterprises Development Act, 2006		
4	Amount of interest accrued and remaining unpaid		

Disclosure requirements of Indian Accounting Standards

11. Disclosure in respect of Indian Accounting Standard 1 – Presentation of Financial Statements from Standalone Financial Statements

a. Capital Management of Parag Fans and Cooling system limited

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

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Total Debt – a	3,90,93,629.00	3,87,80,472.00
Total Equity (INCLUDING INT FREE UNSECURED LOANS FROM DIRECTORS AND SISTER CONCERNS – b	10,77,22,152.00	5,25,23,855.00
Debt : Equity Ratio – (a/b)	0.36	0.74

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

b. Capital Management of Impact Fans and Cooling System Limited

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

Particulars	As on 31-Mar-2025	As on 31-Mar-2024
Total Debt – a	5547286	9323263
Total Equity (INCLUDING INT FREE UNSECURED LOANS FROM DIRECTORS AND SISTER CONCERNS – b	26404905	23367862
Debt : Equity Ratio – (a/b)	0.21	0.40

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

12.Disclosure in respect of Indian Accounting Standard 115 – Revenue from Contracts with Customers
IND AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good and service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

As informed by the management the revenue is recognised as and when the performance obligation is satisfied. In absence of contract, the company is not in a position to disclose the transaction price of the contract, payment terms, etc.

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

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

Provident Fund

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

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

The amount of exchange difference (net) disclosed in the Statement of Profit & Loss is Rs. 30.46 Lacs (P.Y Rs. 3.93 Lacs)

15. Disclosure in respect of Ind AS 24 – Related Party Disclosures**1. Key Management Persons;**

- Neelam Tanwani	Director
- Mr. Surendrakumar Badjatia	Director
- Mr. Sandeep Badjatia	Director
- Mr. Umesh Nambiar	Director
- Mr. Deepak Pagnis	Director

2. Impact Fans & Cooling System Ltd **Subsidiary company****3. Disclosure of transactions with the Key Management Persons and subsidiary company****a. Related to Parag Fans and Cooling system limited**

Particulars	2024-25	2023-24
Directors		
Remuneration to Director - Umesh Nambiar	1122360	981710
Commission to Director - Umesh Nambiar	800000	-
Current account Expenses incurred for company by Director - Umesh Nambiar	4657866	-
Current account paid for Expenses in current account of Director - Umesh Nambiar	4857126	236065
Remuneration to Director - Deepak Pagnis	1122360	981710
Commission to Director - Deepak Pagnis	800000	-
Directors current account Expenses incurred for company by Director - Deepak Pagnis	2141432	-
Director's current account paid for Expenses to Director - Deepak Pagnis	2238065	-
Travelling expenses paid to Director - Deepak Pagnis	1952045	2776752
Directors current account Debit balance	148,315/-	-
Directors current account Credit balance	-	147,578/-

b. Related to Impact Fans and Cooling System Limited

Particulars	2024-25	2023-24
Impact Projects & Consultants Pvt Ltd - Associate Concern		
Commission charges	6,480,000	3,000,000
Amt paid	11,577,400	14,674,339
Amt Received	7,125,000	3,494,000
Icool -Associate Concern		
Consultancy paid	10,852,425	-
Amt paid	8,555,692	-
Directors		
Surendrakumar Badjatia - Consultancy Paid	550,000	-
Sandeep Badjatia-Amt Paid	6,564,308	-
Sandeep Badjatia-Amount Received	6,491,744	-
Sandeep Badjatia-Bal Amt paid on/or behalf	72,564	-
Deepak Pagnis - Travelling Expenses	-	300,000
Surendrakumar Badjatia - Travelling Expenses	10,000	-
Associate Concern		
Impact Projects & Consultants Pvt Ltd (Dr)	17,344,006	20,214,006
ICOOL (Cr)	994,442	-

16.Disclosure in respect of Ind AS 33 – Earnings per Share (Rs. In Lacs)

Particulars	2024-25
Profit after Tax as per Statement of Profit & Loss	59.13
<u>Weighted Average No. of Equity Shares Outstanding:</u>	
Basic	78.31
Diluted	83.28
Basic EPS	0.76

Diluted EPS	0.71
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17. Disclosures in respect of Indian Accounting Standard 107 - Financial Instruments: Disclosures

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

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

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

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

CA Dr. Ashok Kumar Pahwa
Partner
M. No. 077665

Surendra Kumar Badjatia	Deepak Pagnis
Director	Director
DIN: 07501398	DIN: 02566436

Place: Indore
Date: 01-05-25

Place: Dewas
Date: 01-05-25

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 for the Group)

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 Ltd (CIN: - U51102MP1991PLC006760)** ("hereinafter referred to as the Parent Company") and its subsidiaries **Impact Fans and Cooling Systems Ltd (CIN:- U29268MH1994PLC096056)** (the Holding Company and its subsidiaries together referred to as "the Group") as at March 31, 2025 in conjunction with our audit of the consolidated 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 parent 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 consolidated 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 parent Company and the group 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, 2025, 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: 01-05-2025

For: **A K P S & COMPANY**

Chartered Accountants

FRN: 009710C

CA Dr. Ashok Pahwa

Partner

M No-077665

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) of shares 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 Thursday, 26th June, 2025 at 10:00 a.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:

Sr. No.	Resolution Type	Description	For	Against
1.	Ordinary Resolution	To receive and adopt the Audited Standalone and Consolidated Financial Statement of the Company for the financial year ended on 31 st March, 2025 and the report of the Directors & Auditors thereon.		
2.	Ordinary Resolution	To appoint a director in place of Mr. Surendra Kumar Badjatia (DIN : 07501398), who retires by rotation and being eligible offers himself for re-appointment.		
3.	Ordinary Resolution	Re-appointment of Statutory Auditor of the Company.		
4.	Special Resolution	Regularization of Ms. Pooja Atul Sangoi (DIN: 07411546) as a Non-Executive Independent Director of the company for period of five years		
5.	Special Resolution	Regularization of Ms.Vaishali Rathod (DIN: 08488641) as a Non-Executive Independent Director of the company for period of five years		



6.	Ordinary Resolution	Appointment of Secretarial Auditors of the Company		

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 Third Annual General Meeting of the Company to be held on Thursday, 26th June, 2025 at 10:00 a.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.

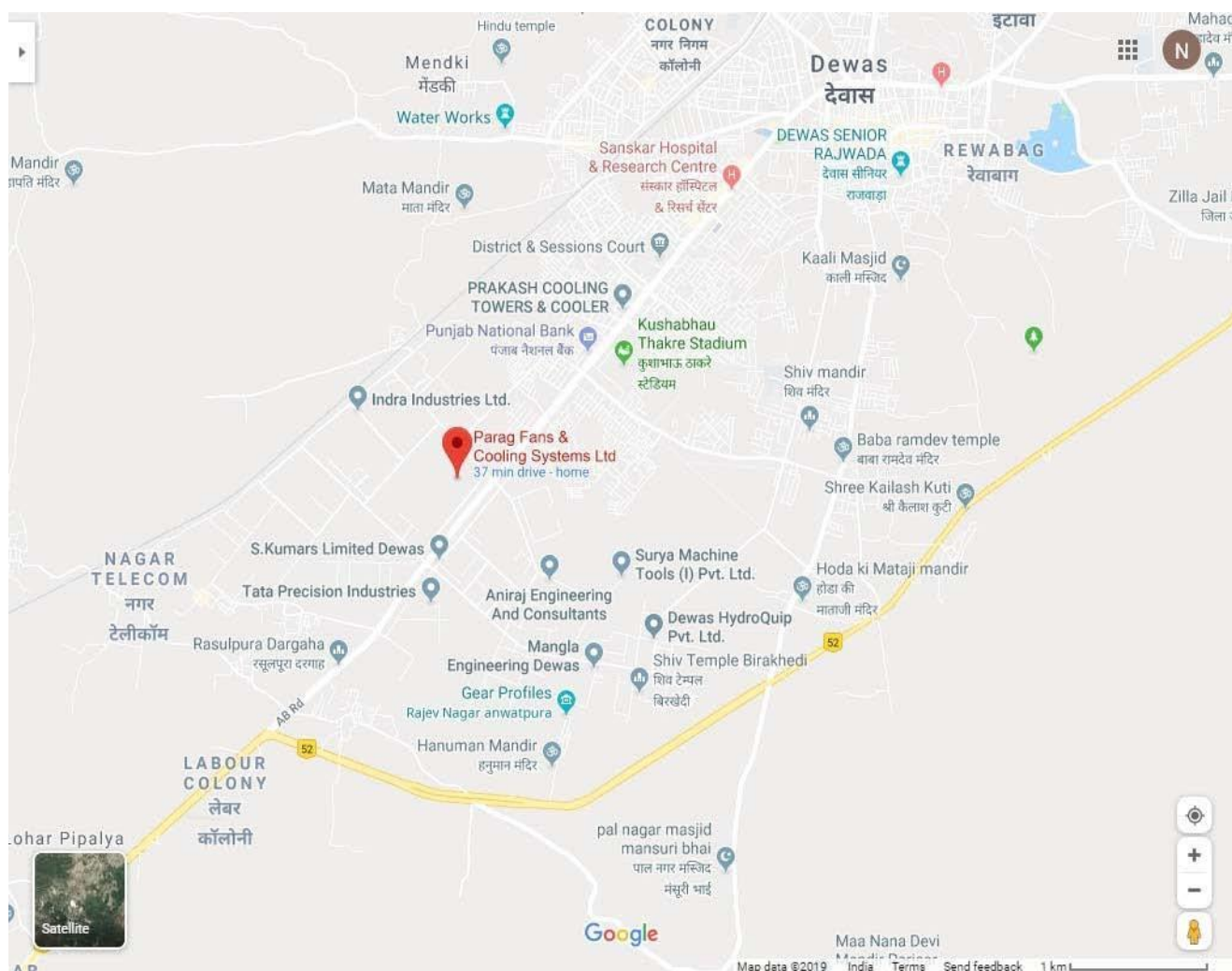
Name of the Member _____ Signature

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>