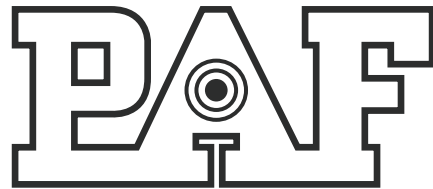


15th
ANNUAL REPORT
2015 / 2016



PATELS AIRFLOW LIMITED.

Registered Office :

61, Phase - I, GIDC Industrial Estate, Vatva, AHMEDABAD - 382 445.

Phone No : 079 – 25831536 / 25830658 / 40200800

Fax No : 091 – 079 – 25831537

E-mail : pafl@dataone.in, paflacct@rediffmail.com

CIN NO.: U31909GJ2001PLC039998

PATELS AIRFLOW LIMITED.

15TH ANNUAL REPORT 2015 / 2016

BOARD OF DIRECTORS : Shri Popatbhai B. Patel Chairman
Shri Bhogibhai I. Patel Managing Director
Shri Kashiram K. Patel Executive Director
Shri Himanshu P. Patel Executive Director
Shri Prakash B. Patel Executive Director
Shri Devang K. Patel Executive Director

STATUTORY AUDITORS : ASHESH ALKESH & CO.
Chartered Accountants
AHMEDABAD – 380 009.

BANKERS : Bank of India
Vatva Industrial Estate Branch (Sp. S.S.I.),
Vatva, AHMEDABAD – 382 445.
: Kotak Mahindra Bank
10/12, Karnavati Industrial Estate No 2,
G.I.D.C, Phase IV, Ramol Cross Road,
Vatva, Ahmedabad - 382 445.

REGD. OFFICE : 61, Phase – I, G I D C Industrial Estate,
Vatva, AHMEDABAD – 382 445.

WORKS : 61, Phase – I, G I D C Industrial Estate,
Vatva, AHMEDABAD – 382 445.

**REGISTRARS &
SHARE TRANSFER** : M/s. BIGSHARE SERVICES PVT. LTD.,
A-802, Samudra Complex, Nr. Klassic Gold Hotel,
Grish Cold Drink, Off C G Road , Navrangpura,
Ahmedabad - 380009. Gujarat.
Phone No. -079-40024135, Mob. 9971542155

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the members of PATELS AIRFLOW LIMITED will be held on Friday, the 30th September, 2016, at 11.00 a.m. at 61, PHASE-I, GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD-382445 (GUJARAT) to transact the following business, with or without modifications.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March 2016, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of SHRI BHOGILAL I. PATEL (DIN 00144617) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of SHRI KASHIRAM K. PATEL (DIN 00145292) who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if, thought fit, to pass with or without modifications, the following resolutions as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of section 139,142 and other applicable provisions of the Companies Act, 2013, and Audit and Auditors Rules 2014 (the rules), (including any statutory modifications or re-enactments thereof for the time being in force) Ashesh Alkesh & Co. Chartered Accountants, (firm Registration No.119580W) who have offered themselves for re- appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Companies Act, 2013 and rule 4 of the rules, be and are hereby re-appointed as statutory auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and the Chairman of the Company be and is hereby authorized to finalise the remuneration and out-of-pocket expenses to be paid to the Auditors.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Bhogilal I. Patel, (DIN 00144617) be and is hereby reappointed Managing Director of the Company, for the period of five years from 18-9-2016 to 17-09-2021 on following terms and conditions including remuneration as under. :

- (1) Salary : Rs. 1,00,000/- per month PLUS BONUS
- (2) Conveyance : Free use of Company's car with driver for official purposes.
- (3) Travelling, Boarding and Lodging : Actual expenditure to be reimbursed by the Company for outstation journey for official work, in India or abroad.
- (4) Leave Travel Concession : Entitled to travel with family, by any mode, i.e. Air, Train and once in two years for visiting any place in India.
- (5) Medical benefits : Actual expenses incurred for Executive Director and his family.
- (6) Personal Accident Insurance : Premium not exceeding permissible limit under the Income-tax Act..
- (7) Company's Contribution to : (a) Provident Fund as per Staff Regulations
(b) Superannuation Fund/Annuity Fund As per Staff Regulations
- (8) Gratuity : As per Staff Regulations
- (9) Leave : As per Staff Regulations
- (10) Telephone : The company shall provide telephone at residence for office use.

FURTHER RESOLVED THAT Shri Bhogibhai I. Patel, Managing Director of the Company be and is hereby authorised, empowered and vested with and continues to enjoy substantial powers of management for carrying out the affairs and activities of the Company subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him be and are hereby ratified approved and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule V of the Act, in case the company has no profit or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to the above Director in accordance with the applicable provisions of the Companies Act, 2013, read with Schedule V and/or any amendments or statutory modifications thereto, in conformity with the guidelines issued by the Central Government, without any further reference to the Company in the General Meeting.

FURTHER RESOLVED THAT one of the Directors of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

7. To consider and if thought fit, to pass the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, Shri Popatbhai B. Patel (DIN 00145058), be and is hereby reappointed Whole Time Director of the Company, for the period of five years from 18-9-2016 to 17-09-2021 on following terms and conditions including remuneration as under. :

- (1) Salary : Rs. 1,00,000/- per month PLUS BONUS
- (2) Conveyance : Free use of Company's car with driver for official purposes.
- (3) Travelling, Boarding and Lodging : Actual expenditure to be reimbursed by the Company for outstation journey for official work, in India or abroad.
- (4) Leave Travel Concession : Entitled to travel with family, by any mode, i.e. Air, Train and once in two years for visiting any place in India.
- (5) Medical benefits : Actual expenses incurred for Executive Director and his family.
- (6) Personal Accident Insurance : Premium not exceeding not exceeding permissible limit under the Income-tax Act..
- (7) Company's Contribution to : (a) Provident Fund as per Staff Regulations
(b) Superannuation Fund/Annuity Fund As per Staff Regulations
- (8) Gratuity : As per Staff Regulations
- (9) Leave : As per Staff Regulations
- (10) Telephone : The company shall provide telephone at residence for office use.

FURTHER RESOLVED THAT Shri Popatbhai B. Patel, Whole Time Director of the Company be and is hereby authorised, empowered and vested with and continues to enjoy substantial powers of management for carrying out the affairs and activities of the Company subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him be and are hereby ratified approved and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule V of the Act, in case the company has no profit or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to the above Director in accordance with the applicable provisions of the Companies Act, 2013, read with Schedule V and/or any amendments or statutory modifications thereto, in conformity with the guidelines issued by the Central Government, without any further reference to the Company in the General Meeting.

FURTHER RESOLVED THAT one of the Directors of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

8. To consider and if thought fit, to pass the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Kashiram K. Patel, (DIN 00145292) be and is hereby reappointed Whole Time Director of the Company, for the period of five years from 18-9-2016 to 17-09-2021 on following terms and conditions including remuneration as under.:

- (1) Salary : Rs. 1,00,000/- per month PLUS BONUS
- (2) Conveyance : Free use of Company's car with driver for official purposes.
- (3) Travelling, Boarding and Lodging : Actual expenditure to be reimbursed by the Company for outstation journey for official work, in India or abroad.
- (4) Leave Travel Concession : Entitled to travel with family, by any mode, i.e. Air, Train and once in two years for visiting any place in India.
- (5) Medical benefits : Actual expenses incurred for Executive Director and his family.
- (6) Personal Accident Insurance : Premium not exceeding not exceeding permissible limit under the Income-tax Act..
- (7) Company's Contribution to : (a) Provident Fund as per Staff Regulations
(b) Superannuation Fund/Annuity Fund As per Staff Regulations
- (8) Gratuity : As per Staff Regulations
- (9) Leave : As per Staff Regulations
- (10) Telephone : The company shall provide telephone at residence for office use.

FURTHER RESOLVED THAT Shri Kashiram K. Patel, Whole Time Director of the Company be and is hereby authorised, empowered and vested with and continues to enjoy substantial powers of management for carrying out the affairs and activities of the Company subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him be and are hereby ratified approved and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule V of the Act, in case the company has no profit or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to the above Director in accordance with the applicable provisions of the Companies Act, 2013, read with Schedule V and/or any amendments or statutory modifications thereto, in conformity with

the guidelines issued by the Central Government, without any further reference to the Company in the General Meeting.

FURTHER RESOLVED THAT one of the Directors of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

9. To consider and if thought fit, to pass the following resolution as a special resolution:

RESOLVED THAT subject to the provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the reappointment of Shri Popatbhai B. Patel, (DIN 00145058) Whole Time Director of the Company, and remuneration paid to him for the period from 1-11-2013 to 17-09-2016, and the action taken by him as Whole Time Director, be and is hereby approved, confirmed, and ratified with retrospective effect.

10. To consider and if thought fit, to pass the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Himanshu P. Patel, (DIN 00145270) be and is hereby reappointed Executive Director (Marketing) of the Company, for the period of five years from 1-10-2016 to 30-09-2021 on following terms and conditions including remuneration as under. :

- (1) Salary : Rs. 1,00,000/- per month PLUS BONUS
- (2) Conveyance : Free use of Company's car with driver for official purposes.
- (3) Travelling, Boarding and Lodging : Actual expenditure to be reimbursed by the Company for outstation journey for official work, in India or abroad.
- (4) Leave Travel Concession : Entitled to travel with family, by any mode, i.e. Air, Train and once in two years for visiting any place in India.
- (5) Medical benefits : Actual expenses incurred for Executive Director and his family.
- (6) Personal Accident Insurance : Premium not exceeding permissible limit under the Income-tax Act..
- (7) Company's Contribution to : (a) Provident Fund as per Staff Regulations
(b) Superannuation Fund/Annuity Fund As per Staff Regulations
- (8) Gratuity : As per Staff Regulations
- (9) Leave : As per Staff Regulations
- (10) Telephone : The company shall provide telephone at residence for office use.

FURTHER RESOLVED THAT Shri Himanshu P. Patel, Executive Director (Marketing) of the Company be and is hereby authorised, empowered and vested with and continues to enjoy

substantial powers of management for carrying out the affairs and activities of the Company subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him be and are hereby ratified approved and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule V of the Act, in case the company has no profit or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to the above Director in accordance with the applicable provisions of the Companies Act, 2013, read with Schedule V and/or any amendments or statutory modifications thereto, in conformity with the guidelines issued by the Central Government, without any further reference to the Company in the General Meeting.

FURTHER RESOLVED THAT one of the Directors of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

11. To consider and if thought fit, to pass the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Prakash B. Patel, (DIN 00176928) be and is hereby reappointed Executive Director (Production) of the Company, for the period of five years from 1-10-2016 to 30-09-2021 on following terms and conditions including remuneration as under. :

- (1) Salary : Rs. 1,00,000/- per month PLUS BONUS
- (2) Conveyance : Free use of Company's car with driver for official purposes.
- (3) Travelling, Boarding and Lodging : Actual expenditure to be reimbursed by the Company for outstation journey for official work, in India or abroad.
- (4) Leave Travel Concession : Entitled to travel with family, by any mode, i.e. Air, Train and once in two years for visiting any place in India.
- (5) Medical benefits : Actual expenses incurred for Executive Director and his family.
- (6) Personal Accident Insurance : Premium not exceeding permissible limit under the Income-tax Act..
- (7) Company's Contribution to : (a) Provident Fund as per Staff Regulations
(b) Superannuation Fund/Annuity Fund As per Staff Regulations
- (8) Gratuity : As per Staff Regulations
- (9) Leave : As per Staff Regulations

(10) Telephone : The company shall provide telephone at residence for office use.

FURTHER RESOLVED THAT Shri Prakash B. Patel, Executive Director (Marketing) of the Company be and is hereby authorised, empowered and vested with and continues to enjoy substantial powers of management for carrying out the affairs and activities of the Company subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him be and are hereby ratified approved and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule V of the Act, in case the company has no profit or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to the above Director in accordance with the applicable provisions of the Companies Act, 2013, read with Schedule V and/or any amendments or statutory modifications thereto, in conformity with the guidelines issued by the Central Government, without any further reference to the Company in the General Meeting.

FURTHER RESOLVED THAT one of the Directors of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

12. To consider and if thought fit, to pass the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of section 196, 197, 203 and Schedule V and other applicable provisions (if any) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Devang K. Patel, (DIN 00146420) be and is hereby reappointed Executive Director (Inspection) of the Company, for the period of five years from 1-10-2016 to 30-09-2021 on following terms and conditions including remuneration as under. :

- (1) Salary : Rs. 1,00,000/- per month PLUS BONUS
- (2) Conveyance : Free use of Company's car with driver for official purposes.
- (3) Travelling, Boarding and Lodging : Actual expenditure to be reimbursed by the Company for outstation journey for official work, in India or abroad.
- (4) Leave Travel Concession : Entitled to travel with family, by any mode, i.e. Air, Train and once in two years for visiting any place in India.
- (5) Medical benefits : Actual expenses incurred for Executive Director and his family.
- (6) Personal Accident Insurance : Premium not exceeding permissible limit under the Income-tax Act..
- (7) Company's Contribution to : (a) Provident Fund as per Staff Regulations
(b) Superannuation Fund/Annuity Fund As per Staff Regulations

- (8) Gratuity : As per Staff Regulations
- (9) Leave : As per Staff Regulations
- (10) Telephone : The company shall provide telephone at residence for office use.

FURTHER RESOLVED THAT Shri Devang K. Patel, Executive Director (Inspection) of the Company be and is hereby authorised, empowered and vested with and continues to enjoy substantial powers of management for carrying out the affairs and activities of the Company subject to the control, superintendence and directions of the Board of Directors of the Company and the action taken and work done by him be and are hereby ratified approved and confirmed.

FURTHER RESOLVED THAT the company hereby approves the payment of the said remuneration as minimum remuneration to him in accordance with Schedule V of the Act, in case the company has no profit or its profits are inadequate in any financial year.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to revise periodically the remuneration including the salary, perquisites, allowances etc. payable to the above Director in accordance with the applicable provisions of the Companies Act, 2013, read with Schedule V and/or any amendments or statutory modifications thereto, in conformity with the guidelines issued by the Central Government, without any further reference to the Company in the General Meeting.

FURTHER RESOLVED THAT one of the Directors of the Company be and is hereby authorised to take necessary action for giving effect of this resolution.

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 THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.

Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten 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 a proxy or any other person or shareholder.

Relevance of question/s and the order of speakers at the Meeting will be decided by the Chairman. Proxy can attend and vote on poll, if any, but cannot speak at the Meeting

2. In terms of section 102 of The Companies Act, 2013, a statement setting out the material facts concerning special business to be transacted at the meeting is annexed herewith and forms part of the Notice.
3. Members are requested to bring their copies of the Annual Report to the meeting. The members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
4. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
5. a) Members holding shares in electronic form may please note that their bank details as may be furnished to the Company by respective Depositories will only be considered for remittance of dividend through NECS at RBI clearing centers or through Dividend Warrants. Beneficial holders holding Shares in demat form are requested to get in touch with their Depository Participants (D.P.) to update / correct their NECS/ECS details – Bank Code (9 digits) and Bank Account No. (12 to 16 digits) to avoid any rejections and also give instructions regarding change of address, if any, to their D.P. It is advisable to attach a photocopy of a cancelled cheque with your instructions to your D.P.

b) The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. M/s. BIGSHARE SERVICES PVT. LTD., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri(E), Mumbai 400 072. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details

registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.

C) Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B. to the Registrar & Share Transfer Agent, at the address given above.

6. The Register of Members and Share Transfer Books of the Company will remain closed from 27th Sept, 2016 to 30th Sept, 2016 (both days inclusive).
7. Dividend, if declared, will be paid to those members whose names appear in the Register of Members on 30-09-2016
8. Members are requested to quote Follio number in all their correspondences.
9. Members are requested to inform the company immediately the changes, if any, in their address specifying full address in Block Capital Letters with Pin code of the post office.
10. The Members are advised to encash their dividend warrants within validity period. Thereafter, the payment of unencashed dividend warrants shall be made after receipt of final list of unclaimed dividend warrants and reconciliation of Dividend Account from Bank. The payment of unclaimed dividend will be made by DDs / Cheques payable at par upon furnishing Indemnity-cum-Request letter by the Member and verification by the Company.
11. Pursuant to Section 125 of the Companies Act, 2013 corresponding to Section 205A of the Companies Act, 1956, all unclaimed dividends up to the financial year 2007-08 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Kindly note that once unclaimed and unpaid dividend is transferred to the Investor Education and Protection Fund, members will have to approach IEPF for such dividend.
12. With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms. Shareholders holding shares in the physical form who wish to avail ECS facility, may authorise the Company with their ECS mandate in the prescribed form which can be obtained from the Registrars and Transfer Agents, M/s. BIGSHARE SERVICES PVT. LTD., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka Andheri(E), Mumbai 400 072. The requests for payment of dividend through ECS for the year 2015-16 should be lodged with them on or before 30-09-2016. The ECS form is available on company's website.
13. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2016 is uploaded on the Company's website www.patelsairflow.com and may be accessed by the members.

14. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
15. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
16. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members by e-mail, whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

17. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the 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 above provisions.

The instructions for e-voting are as under:

SECTION A - E-VOTING PROCESS

Step 1 : Open your web browser during the voting period and log on to the e-Voting Website: www.evotingindia.com.

Step 2 : Click on "Shareholders" to cast your vote(s)

Step 3 : Select the Electronic Voting Sequence Number (EVSN) i.e. " **160823046** " along with "COMPANY NAME" i.e. PATELS AIRFLOW LIMITED from the drop down menu and click on "SUBMIT".

Step 4 : Please enter User ID –

- a. For account holders in CDSL :- Your 16 digits beneficiary ID
- b. For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Step 5 : Enter the Image Verification as displayed and Click on Login

Step 6 : If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

Step 7 : If you are a first time user follow the steps given below:

7.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.

For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format.

7.3 Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account. Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. 23-09-2016 in the Dividend Bank details field.

Step 8 : After entering these details appropriately, click on "SUBMIT" tab.

Step 9 : First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution 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. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system. Members holding shares in physical form will then directly reach the Company selection screen.

Step 10: Click on the EVSN of the Company i.e. " **160823046** " to vote.

Step 11: On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.

Step 12: Click on the Resolution File Link if you wish to view the Notice.

Step 13: 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.

Step 14: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

The e-Voting period commences on 26th September, 2016 (9.00 a.m.) and ends on 29th September, 2016 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut off date of 23rd September, 2016 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- i. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- ii. Shri S. R. Sanghavi, Practising Company Secretary (Membership No.: FCS 3021 ; CP No: 1052) (Address: 204, Sampanna Complex, Opp. Havmor, b/h Navrangpura Bus Stand, Ahmedabad – 380 009, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-Voting process
- iii. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- iv. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.patelsairflow.com and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.
- v. The resolutions shall be deemed to have been passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vi. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- vii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.

- viii. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

CONTACT DETAILS:

Company : PATELS AIRFLOW LIMITED.

Regd. Office:
61, Phase-I, GIDC Industrial Estate, Vatva,
Ahmedabad-382445
(Gujarat)
E-mail ID: paflacct@gmail.com
Website : www.patelsairflow.com

Registrar and Transfer Agent :

M/s. BIGSHARE SERVICES PVT. LTD.,
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri(E), Mumbai 400 072.

E-Voting Agency :

Central Depository Services (India) Limited
E-mail ID : helpdesk.evoting@cdslindia.com

Scrutinizer :

Mr. Shantilal R. Sanghavi,
Practising Company Secretary
E-mail ID : asrsanghavi@gmail.com

ANNEXURE TO NOTICE**Explanatory statement pursuant to section 102 of the Companies Act, 1956****SPECIAL RESOLUTION NO. 6**

Shri Bhogilal I. Patel is the Managing Director and one of the Promoters of the company. He put hard efforts for the development of this Unit. He possesses vast and varied experience and under his able management, the company has made satisfactory progress. The financial position of the company has considerably improved. The company has successfully completed the expansion project also.

He has been reappointed by the Board of Directors as Managing Director for the further period of five years with from 18-09-2016 on the remuneration and other terms and conditions as stated in the special resolution.

Looking to his responsibility, status and the role he had played in the development, progress and prosperity of the company, the remuneration proposed to be paid to him is quite just and reasonable. There is no increase in the remuneration to be paid to him.

Shri B. I. Patel is interested in this resolution to the extent of salary to be received by him. Shri Prakash Patel, Executive Director of the company is also concerned and/or interested in this resolution as a relative of Shri B. I. Patel.

None of the other Directors are concerned or interested in this resolution.

SPECIAL RESOLUTION NO. 7.

Shri Popatbhai B. Patel is the Executive Director and one of the Promoters of the company. He put hard efforts for the development of this Unit. He possesses vast and varied experience and under his able management, the company has made satisfactory progress. The financial position of the company has considerably improved. The company has successfully completed the expansion project also.

He has been reappointed by the Board of Directors as Managing Director for the further period of five years with from 18-09-2016 on the remuneration and other terms and conditions as stated in the special resolution.

Looking to his responsibility, status and the role he had played in the development, progress and prosperity of the company, the remuneration proposed to be paid to him is quite just and reasonable. There is no increase in his remuneration.

Shri P. B. Patel is interested in this resolution to the extent of salary to be received by him. Shri Himanshu P. Patel, Executive Director of the company is also concerned and/or interested in this resolution as a relative of Shri P. B. Patel.

None of the other Directors are concerned or interested in this resolution.

SPECIAL RESOLUTION NO. 8.

Shri Kashiram K. Patel is the Executive Director and one of the Promoters of the company. He put hard efforts for the development of this Unit. He possesses vast and varied experience and under his able management, the company has made satisfactory progress. The financial position of the company has considerably improved. The company has successfully completed the expansion project also.

He has been reappointed by the Board of Directors as Managing Director for the further period of five years with from 18-09-2016 on the remuneration and other terms and conditions as stated in the special resolution.

Looking to his responsibility, status and the role he had played in the development, progress and prosperity of the company, the remuneration proposed to be paid to him is quite just and reasonable. There is no increase in his remuneration.

Shri K. K. Patel is interested in this resolution to the extent of salary to be received by him. Shri Dewang Patel, Executive Director of the company is also concerned and/or interested in this resolution as a relative of Shri K. K. Patel.

None of the other Directors are concerned or interested in this resolution.

SPECIAL RESOLUTION NO. 9

The special resolution is for the reappointment of Shri P. B. Patel, Executive Director, and for payment of remuneration to him with retrospective effect from 1-11-2013 to 17-09-2016. Shri P.B.Patel had played important role and given significant contribution in the development, progress and prosperity of the company. Due to oversight, his reappointment for the above period could not be placed before the members for their approval. This resolution is, therefore, placed before the members for their approval, consent and ratification for reappointment and payment of remuneration for the aforesaid period. There is no increase in his remuneration.

Shri P. B. Patel is interested in this resolution to the extent of salary to be received by him. Shri Himanshu P. Patel, Executive Director of the company is also concerned and/or interested in this resolution as a relative of Shri P. B. Patel.

SPECIAL RESOLUTION NO. 10.

This special resolution pertains to the reappointment of Shri Himanshu P. Patel, Executive Director (Marketing) for further period of five years from 1-10-2016. He is expert in his field and he has played important role in the progress and prosperity of the company. He is technically well qualified and possess specialized knowledge and experience in the job entrusted to him. He has been discharging his duties skillfully and successfully.

Looking to the salary paid to the officers of his category in other companies, the remuneration proposed to be paid to him is quite just and reasonable. As such the Board of Directors have passed necessary resolution, subject to the approval of members. There is no increase in his remuneration.

Shri Himanshu P. Patel is interested in this resolution to the extent of salary to be received by him. Shri P. B. Patel, Executive Director of the company is also concerned and/or interested in this resolution as a relative of the said Executive Director.

None of the other Directors are concerned or interested in this resolution.

SPECIAL RESOLUTION NO. 11.

This special resolution pertains to the reappointment of Shri Prakash B. Patel, Executive Director (Production) for further period of five years from 1-10-2016. He is expert in his field and he has played important role in the progress and prosperity of the company. He is technically well qualified and possess specialized knowledge and experience in the job entrusted to him. He has been discharging his duties skillfully and successfully.

Looking to the salary paid to the officers of his category in other companies, the remuneration proposed to be paid to him is quite just and reasonable. As such the Board of Directors have passed necessary resolution, subject to the approval of members. There is no increase in his remuneration.

Shri Prakash B. Patel is interested in this resolution to the extent of salary to be received by him. Shri B. I. Patel, Managing Director of the company is also concerned and/or interested in this resolution as a relative of the said Executive Director.

None of the other Directors are concerned or interested in this resolution.

SPECIAL RESOLUTION NO. 12.

This special resolution pertains to the reappointment of Shri Dewang K. Patel, Executive Director (Inspection) for further period of five years from 1-10-2016. He is expert in his field and he has played important role in the progress and prosperity of the company. He is technically well qualified and possess specialized knowledge and experience in the job entrusted to him. He has been discharging his duties skillfully and successfully.

Looking to the salary paid to the officers of his category in other companies, the remuneration proposed to be paid to him is quite just and reasonable. As such the Board of Directors have passed necessary resolution, subject to the approval of members. There is no increase in his remuneration.

Shri Dewang K. Patel is interested in this resolution to the extent of salary to be received by him. Shri K. K. Patel, Executive Director of the company is also concerned and/or interested in this resolution as a relative of the said Executive Director.

None of the other Directors are concerned or interested in this resolution.

**DETAILS OF DIRECTORS RETIRING BY ROTATION AND
SEEKING REAPPOINTMENT ARE AS UNDER :**

Name of Director	BHOGIBHAI I. PATEL (DIN 0144617)	POPATBHAI B. PATEL (DIN 00145058)
Date of Birth	25/09/1944	01/08/1939
Date of Appointment	17/09/2001	17/09/2001
Qualification	MANAGING DIRECTOR	EXECUTIVE DIRECTOR
Expertise in specific Functional areas	POSESSES TECHNICAL AND ADMINISTRATIVE KNOWLEDGE	POSESSES TECHNICAL AND ADMINISTRATIVE KNOWLEDGE
List of Companies in which Directorship is held	NIL	NIL
Chairman / Member of the Committee of other Companies	NO	NO

Name of Director	KASHIRAM K. PATEL (DIN 00145292)	DEVANG K. PATEL (DIN 00146420)
Date of Birth	25/04/1939	08/08/1963
Date of Appointment	17/09/2001	01/10/2006
Qualification	EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR
Expertise in specific Functional areas	POSESSES TECHNICAL AND ADMINISTRATIVE KNOWLEDGE	TECHNICALLY QUALIFIED AND POSSESS SPECIAL KNOWLEDGE
List of Companies in which Directorship is held	NIL	NIL
Chairman / Member of the Committee of other Companies	NO	NO

Name of Director	PRAKASH B. PATEL (DIN 00176928)	HIMANSHU P. PATEL (DIN 00145270)
Date of Birth	16/11/1968	05/01/1969
Date of Appointment	01/10/2006	01/10/2006
Qualification	EXECUTIVE DIRECTOR	EXECUTIVE DIRECTOR
Expertise in specific Functional areas	TECHNICALLY QUALIFIED AND POSSESS SPECIAL KNOWLEDGE	TECHNICALLY QUALIFIED AND POSSESS SPECIAL KNOWLEDGE
List of Companies in which Directorship is held	NIL	NIL
Chairman / Member of the Committee of other Companies	NO	NO

Registered Office

61, Phase-I, GIDC Industrial Estate, Vatva,
Ahmedabad - 382445
Date: 18-08-2016

By order of Board of Directors

For, PATELS AIRFLOW LIMITED
B. I. PATEL
Managing Director

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in submitting their Annual Report together with the Audited Statements of Accounts for the year ended on 31st March 2016. The financial position of the company is reflected hereunder:

FINANCIAL RESULTS

The following figures reveals the financial position of the company :

Particulars	Year 2015-16 ₹	Year 2014-15 ₹
Income from Sales and other sources :	28,66,45,425	27,00,49,280
Profit before prior year adujstment and taxation	1,18,26,090	1,03,13,848
Add / (Less) : Prior Year adjustments :	7,97,560	8,82,835
Profit before taxation :	1,10,28,530	94,31,013
Less : Provision for taxation;	37,48,535	23,95,067
Profit after taxation :	72,79,995	70,35,946
Add : Balance brought forward	6,40,98,649	6,21,12,705
Profit available for appropriation	7,13,78,644	6,91,48,651
Less : Appropriations:		
Proposed Dividend	33,75,120	33,75,120
Tax on dividend	6,87,095	6,74,882
	40,62,215	40,50,002
Transfer to General Reserve	10,00,000	10,00,000
Balance carried to Balance Sheet	6,63,16,429	6,40,98,649

DIVIDEND :

Your Directors are pleased to inform you that subject to your approval, they have decided to recommend payment of dividend @15% (₹ 1.5/-) per share, on the equity shares of the company.

DIRECTORS RETIRING BY ROTATION:

Shri Bhogilal I. Patel (Din 00144617) and Shri Kashiram K. Patel (DIN 00145292) retire by rotation and being eligible, offer themselves for reappointment. Members are requested to appoint Directors in their place.

REAPPOINTMENT OF MANAGING DIRECTORS AND EXECUTIVE DIRECTORS:

The terms of Shri Bhogilal I. Patel, (Din 00144617) Managing Director, and Shri Kashiram K. Patel, (DIN 00145292) Executive Director and Shri Popatlal B. Patel, (DIN 00145058) Executive Director, will expire on 17-09-2016 and that of Shri Himanshu P. Patel, (DIN 00145270), Executive Director (Marketing) Shri Prakash B. Patel, (DIN 00176928) Executive Director (Production)

Shri Dewang K. Patel, (DIN 00146420) Executive Director (Inspection) will expire on 30-09-2010. Subject to the approval of Memberes, they have been reappointed by the Board of Directors, for further period of five years from their respective dates of expiry. Members are requested to reappoint them.

NUMBER OF MEETINGS OF THE BOARD

During the year 12 Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 2014, is given in the Annexure forming part of this report.

PARTICULARS OF THE EMPLOYEES

There is no employee drawing remuneration prescribed under the provision of section 197 (12) of the Companies Act, 2013, read with Rule 5 (1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (C) and 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- I. In the preparation of the accounts for the financial year under report, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year under report, and of the profit of the Company for the year under review.
- III. The Directors have 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.
- IV. The Directors have prepared the annual accounts of the company on a 'going concern' basis.
- V. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- VI. The Director have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no related party transactions in which Directors are interested.

DEPOSITS

During the year under review, your Company has NOT invited or accepted deposits from the public under Section 76 of the Companies Act, 2013 and Rules made there under.

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of Section 125 of Companies Act, 2013 the Unclaimed Dividend, Fixed Deposits and interest thereon which remained unpaid/unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

AUDITORS' REPORT

No Qualification, adverse Remarks or disclaimer made by the statutory auditors with regard to the financial statements for the financial year 2015-16.

AUDITORS

The Company's Auditors, Ashesh Alkesh & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting of the Company, are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company.

EXTRACT OF ANNUAL RETURN

The information required under Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in prescribed format MGT-9 is annexed herewith as Annexure to this Report.

APPRECIATION:

The Board takes on record its appreciation of services rendered by employees, and co-operation given by customers, Bankers and all concerned.

Registered Office

61, Phase-I, GIDC Industrial Estate,
Vatva, Ahmedabad - 382445
Date: 18/08/2016

For, PATELS AIRFLOW LIMITED**By order of Board of Directors****(SHRI POPATBHAI B. PATEL)
Chairman/Managing Director**

FORM NO. MGT - 9
ANNEXTURE TO DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U31909GJ2001PLC039998
2.	Registration Date	17/09/2001
3.	Name of the Company	PATELS AIRFLOW LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	61, PHASE-I, GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD, 382445
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. BIGSHARE SERVICES PVT. LTD., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E), Mumbai 400 072.

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	MANUFACTURING OF MACHINERY AND EQUIPMENTS	29	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

S. No.	Name and Description of Main Products / Services	NIC Code of the Products / Service	% to Total Turnover of the Company
Not Applicable			

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(1) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on-31March-2015]				No. of Shares held at the end of the year[As on-31March-2016]				% Change during the year
	Demate	Phy si ca l	Total	% of Total Shares	Demat	Phy si ca l	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1931033	0	1931033	85.82%	1931033	0	1917183	85.82 %	+0.22
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	1931033	0	1931033	85.82%	1931033	0	1917183	85.82	+0.22
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	319047		324097	14.18%	319047		319047	14.18%	-0.22
Sub-total (B)(1):-	319047		324097	14.40%	319047		319047	14.18%	-0.22

2. Non - Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
Sub total-(B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	324097		324097	14.40%	319047		319047	14.18%	-0.22
C. Shares held Custodian by for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2250080	0	2250080	100%	2250080	0	2250080	100 %	0

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1	BHOGILAL ISHWARLAL PATEL	3,17,790		0	3,17,790		0
2	GITABEN DEVANG PATEL	244075		0	244075		0
3	SHANTABEN KASHIRAM PATEL	223825		0	223825		0
4	PRAKASH BHOGILAL PATEL	215800		0	215800		0
5	KASHIRAM KHODIDAS PATEL	135500		0	135500		0
6	TRUPTI H PATEL	125650		0	128200		0
7	MADHUBEN P PATEL	118115		0	118115		0
8	POPATLAL B PATEL	112011		0	112011		0
9	HIMANSHU P PATEL	108325		0	108325		0
10	RITA PRAKASH PATEL	105161		0	106411		0
11	POPATLAL BHOPABHAI PATEL	91750		0	91750		0
12	HIMANSHU POPATLAL PATEL	66500		0	66500		0
13	SANTOKBEN R PATEL	15000		0	15000		0
14	GEETA BHOGILAL PATEL	11270		0	11270		0
15	JIGNESH BHOGILAL PATEL	8075		0	9325		0
16	ROSHNI J PATEL	5750		0	5750		0
17	BHOGILAL ISHWARLAL PATEL HUF	4000		0	4000		0
18	PRAKASH BHOGILAL PATEL HUF	3725		0	3725		0
19	DEVANG KASHIRAM PATEL	2500		0	2500		0
20	SHARDABEN NARAYANDAS PATEL	2500		0	2500		0
21	PATEL KOKILABEN MAHESHBHAI	1924		0	1924		0
22	HARSHADKUMAR PATEL	1250		0	1250		0

23	JADIBEN ISHVARBHAI PATEL	1250		0	1250		0
24	ALPA GIRISH PATEL	1250		0	1250		0
25	JAGRUTI HARSHADKUMAR PATEL	1200		0	1200		0
26	CHIRAG LALLUBHAI PATEL	475		0	475		0
27	MAHESHBHAI ISHVARBHAI PATEL	462		0	462		0
28	JADIBEN ISHVARBHAI PATEL	300		0	300		0
29	SHANTBEN LALLUBHAI PATEL	175		0	175		0
30	HARSHAD PATEL	50		0	50		0
31	JAGRUTIBEN PATEL	50		0	50		0
32	ROSHNI LALLUBHAI PATEL	50		0	50		0
33	SURESH PATEL	50		0	50		0
34	KAPILABEN TULSIDAS PATEL	50		0	50		0
35	NAVIN TULSIDAS PATEL	50		0	50		0
36	BHANUBHAI ISHVERBHAI PATEL	50		0	50		0
37	DIVYA PATEL	25		0	25		0

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	54662	2.43 %	54662	2.43 %
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	51087	2.27 %	51087	2.27 %

E) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	829840	36.88%	829840	36.88%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
	At the end of the year	829840	36.88%	829840	36.88%

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38184868/-	12500000/-	1084529/-	51769397/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	38184868/-	12500000/-	1084529/-	51769397/-
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	20837/-	0	13798/-	34635/-
Net Change	20837/-	0	13798/-	34635/-
Indebtedness at the end of the financial year				
i) Principal Amount	38164031/-	12500000/-	1070731/-	51734762/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	38164031/-	12500000/-	1070731/-	51734762/-

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Bhigibhai I. Patel	Popatbhai B. Patel	Kashiram K. Patel	
1	Gross salary	1200000	1200000	1200000	3600000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	NA	NA	NA	
3	Sweat Equity	NA	NA	NA	
4	Commission - as % of profit - others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	Total (A)	1200000	1200000	1200000	3600000
	Ceiling as per the Act	-	-	-	

No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Himansu P. Patel	Prakash B. Patel	Devang K. Patel	
1	Gross salary	1200000	1200000	1200000	3600000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	NA	NA	NA	
3	Sweat Equity	NA	NA	NA	
4	Commission - as % of profit - others, specify...	-	-	-	
5	Others, please specify	-	-	-	
	Total (A)	1200000	1200000	1200000	3600000
	Ceiling as per the Act	-	-	-	

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	----	----	----	
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

**ANNEXURE
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

1. ELECTRICITY	Current Year	Previous Year
(a) Purchased		
Units	721629	551175
Total Amount ₹	6223714	4625277
Rate / Unit	8=62	8=39
(b) Own Generation		
(i) Through diesel generator		
Unit	-	
Unit per-ltr. of diesel oil		
Cost / Unit	106010	39060
(ii) Through steam turbine / generator		
Unit	-	
Unit per-ltr. of fuel oil / gas		
Cost / Unit	-	
2. COAL (SPECIFY QUALITY AND WHERE USED)	Nil	Nil
Quantity (tonnes)		
Total Cost		
Average Rate		
3. FURANCE OIL	Nil	Nil
Quantity (k. ltrs.)		
Total Cost		
Average Rate		
4. OTHERS / INTERNAL GENERATION (Please give details).		
(P.N.G)		
Quantity - scm	1,94,551	151167
Total Cost ₹	64,46,418	6623295
Average Rate	33=13	43=81

B. CONSUMPTION PER UNIT OF PRODUCTION :

	Standards (if any)	Current Year 1	Previous Year 2
Products (with details) Unit	-	1414 Nos 1803647 kgs	1626 Nos 1401933 kgs
Electricity	-	-	-
Furance Oil	-	-	-
Coal (specify quality)	-	-	-
Others (specify)	-	-	-

NOTES:

1. Please give separate details for different products / items produced by the company and covered under these rules.
2. Please give reasons for variation in the consumption of power and fuel from standards of previous year.
3. In case of production of different varieties / specifications consumption details may be given for equivalent production.

FORM
(See rule 2)

FROM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research & Development (R & D)

1. Specific areas in which (R & D) carried out by the company. : Designing and manufacturing of product.
2. Benefits derived as a result of the above R & D. : Improved in workshop efficiency.
3. Future plan of action. : Improved in workshop efficiency.
4. Expenditure on R & D. :
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R & D expenditure as a percentage of total turnover :

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

- (1) Efforts in brief, made towards technology absorption, adaptation and innovation. : The company has adopted the latest technology with sophisticated instruments related to the products being manufactured.
- (2) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. : Improved product quality for business prospects in future.
- (3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial years), following information may be furnished. : Not Applicable
 - (a) Technology imported.
 - (b) Year of import.
 - (c) Has technology been fully absorbed
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.

Registered Office :
61, Phase 1, GIDC, Vatva,
Ahmedabad - 382 445.

Date : 18th August, 2016

By Order of The Board,
For, **PATELS AIRFLOW LTD.**

POPATBHAI B. PATEL
Chairman

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PATELS AIRFLOW LIMITED
Ahmedabad.

Report on the Financial Statements:

We have audited the accompanying financial Statements of **PATELS AIRFLOW LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit & loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give true & fair view, in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to **Note No. 35 regarding non-provision of amortization of lease hold land [amount not quantifiable]** the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought & obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representation received from the directors as on 31st March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as 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 A.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion & to the best of our knowledge and belief and according to the information and explanation given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.

- (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 during the year ended March 31, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books & records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For, Ashesh Alkesh & Co.
Chartered Accountants
[Firm Regn. No. 119580W]**

**Ashesh Shah
Partner
M. No. 049712**

**Place: Ahmedabad
Date: 18/08/2016**

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under Report on "Other Legal and Regulatory Requirements" of our Auditor Report of even date)

Report on the Internal Financial Controls under clause (i) of Sub section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of **PATEL AIRFLOW LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. 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 and 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 controls based on assessed Risk. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation 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, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures that may deteriorate.

Opinion

In our opinion and 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Ashesh Alkesh & Co.
Chartered Accountants
[Firm Regn. No. 119580W]**

**Ashesh Shah
Partner**

**Place: Ahmedabad
Date: 18/08/2016**

Membership No. 049712

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under Report on "Other Legal and Regulatory Requirements" of our Auditor Report of even date)

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified during the year by the management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable interval having regard to the size of the company and nature of its business. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Title deed of the immovable property, as disclosed in Note 10 on fixed assets to the financial statements, is held in the name of the company.
2. In our opinion, the management has carried out physical verification of inventory at reasonable intervals and as explained to us, no material discrepancies have been noticed on such physical verification as compares to book records.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clause 3(iii) (iia), (iib) & (iic) of the Order are not applicable to company.

4. In our opinion and according to information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence reporting under clause 3(iv) of the order is not applicable to the company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 & 76 of the Act and Rules framed there under to the extent notified. Hence reporting under clause 3(v) of the said Order is not applicable to the company.
6. The maintenance of cost records has not been prescribed by the Central Government u/s 148(1) of the Companies Act, 2013. Hence reporting under clause 3(vi) of the Order is not applicable to the company.
7. (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it. According to the information & explanation given to us, there is no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31/03/2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no disputed dues in respect of Income Tax, Sales Tax, Service Tax, Custom duty, Excise Duty Value Added Tax and Cess as at 31/03/2016. Hence reporting under clause 3(vii)(b) of the Order is not applicable to the company.
8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of loans or borrowings to Banks/Financial Institutions. The company has also not issued any debenture during the year. Hence reporting under cause 3(viii) of the Order is not applicable to the Company.
9. In our opinion and as per the information and explanation given to us, the company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Hence reporting under cause 3(ix) of the Order is not applicable to the Company.
10. In our opinion and according to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, accruing to the information and explanation given to us and based on our examination of the records of the company, the company has paid the managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

12. The company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the company.
13. In our opinion and according to the information and explanations given to us, the company has entered in to transactions with related parties which is in compliance with provisions of sections 177 and 188 of the Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the notes to the financial statement, as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us by the management, the Company has not entered in to any Non-cash transactions with its directors or persons connected with them. Hence reporting under clause 3(xv) of the Order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi) of the Order is not applicable to the Company.

**For, Ashesh Alkesh & Co.
Chartered Accountants
[Firm Regn. No. 119580W]**

**Ashesh Shah
Partner
Membership No. 049712**

**Place: Ahmedabad
Date: 18/08/2016**

15th ANNUAL REPORT

PATELS AIRFLOW LIMITED.

BALANCE - SHEET AS AT 31ST MARCH, 2016			Amount In ₹	
	NOTE	AS AT 31/03/2016	AS AT 31/03/2015	
EQUITY AND LIABILITIES				
Shareholder's Funds :				
Share Capital	2	22500800	22500800	
Reserves & Surplus	3	83376429	80158649	
		105877229		102659449
Non Current Liabilities :				
Long Term Borrowings	4	5843874	13122606	
Deferred Tax Liability (Net)	5	8939114	8141554	
		14782988		21264160
Current Liabilities				
Short Term Borrowings	6	50664031	50684868	
Trade Payables	7	38940120	24446709	
Other Current Liabilities	8	11456810	18320907	
Short Terms Provisions	9	8377901	7217589	
		109438862		100670073
TOTAL		230099079		224593682
ASSETS				
Non Current Assets				
Fixes Assets	10	91824557	96856493	
Intangible Assets	10	140989	235305	
Non Current Investments	11	100000	100000	
Long Term Loans & Advances	12	4987024	7977603	
		97052570		105169401
Current Assets				
Inventories	13	41091496	42452351	
Trade Receivables	14	56407634	56108587	
Cash & Bank Balances	15	26409345	17355945	
Short Term Loans & Advances	16	9014780	3403942	
Other Current Assets	17	123254	103456	
		133046509		119424281
TOTAL		230099079		224593682
Significant Accounting Policies	1			
Notes on Financial Statements	1 to 36			
As per our report of even date attached.		<i>For, PATELS AIR FLOW LTD.</i>		
For, Ashesh Alkesh & Co. Chartered Accountants (Firm Regn. 119580W)		CHAIRMAN		
Ashesh Shah Partner M. No. 049712		MANAGING DIRECTOR		
Place : Ahmedabad. Date: 18/08/2016		DIRECTOR		
		Place : Ahmedabad. Date: 18/08/2016		

15th ANNUAL REPORT
PATELS AIRFLOW LIMITED.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016		Amount In ₹	
	NOTE	2015/2016	2014/2015
INCOME			
Revenue From Operations	18	285303794	259706637
Other Income	19	1341631	10342643
Total		286645425	270049280
EXPENDITURE			
Cost of Raw Material Consumed	20	172884842	174879571
Change in Inventories	21	3915316	(726819)
Employee Benefit Expense	22	18775182	19910840
Finance Cost	23	7127230	8632374
Depreciation and Amortisation Expense	10	7816794	7419983
Other Expense	24	64299971	49619483
Total		274819335	259735432
PROFIT BEFORE TAXATION		11826090	10313848
TAX EXPENSE			
Current Tax		3748535	2395067
Deferred Tax		797560	882835
		4546095	3277902
PROFIT FOR THE YEAR		7279995	7035946
Earning per equity share of face value of ₹ 10 each			
Basic and Diluted ESP [in ₹]		3.24	3.13
Significant Accounting Policies Notes on Financial Statements	1 1 to 36		
As per our report of even date attached.			
For, Ashesh Alkesh & Co. Chartered Accountants (Firm Regn. 119580W) Ashesh Shah Partner M. No. 049712 Place : Ahmedabad. Date : 18/08/2016		For, PATELS AIR FLOW LTD. CHAIRMAN MANAGING DIRECTOR Director Place : Ahmedabad Date : 18/08/2016	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016		Amount In ₹
	2015 / 2016	2014 / 2015
1 Cash Flow From Operating Activities		
Net Profit Before tax	11826090	10313848
Adjustment for :		
Depreciation & Amortization	7816794	7419983
Loss On Sale of Fixed Assets	491567	-
Interest Income	(1255988)	(1081139)
Finance Cost	7127230	8632374
	14179603	14971218
	26005693	25285066
Operating Profit Before Working Capital Changes		
Adjusted for:		
Trade Payables	14493411	(11342767)
Other Current Liabilities	(6122128)	2324786
Short Term Provisions	(114475)	272232
Long Term Loans & Advances	2657034	(2516297)
Inventories	1360855	672874
Trade Receivables	(299047)	(2807343)
Short Term Loans & Advances	(3951742)	5393156
Income Tax Paid (Net)	(3811512)	(1662218)
	4212396	(9665577)
Cash Generated From/(Used in) Operations	30218089	15619489
2 Cash Flow From Investing Activities		
Purchase of fixed assets	(3607109)	(9205275)
Sale of Fixed Assets	425000	-
Interest received	1236190	1096244
Net Cash From/(Used in) Investing Activities	(1945919)	(8109031)
3. Cash Flow From Financing Activities		
Interest Paid	(7127230)	(8632374)
Proceeds from Long Term Borrowings	-	5750000
Repayment of long term Borrowings	(8020701)	(7906916)
Net Proceeds / (Repayment) from Short Term Borrowings	(20837)	8965754
Dividends & Payment of Dividend Tax	(4050002)	(3158977)
Net Cash From/(Used in) Financing Activities	(19218770)	(4982513)
4 Net Increase/(Decrease) In Cash and Cash Equivalents	9053400	2527945
5 Cash and Cash Equivalents as at the beginning of the Year	17355945	14828000
6 Cash and Cash Equivalents as at the end of the Year	26409345	17355945

As per our report of even date attached.

- 1 The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement' notified in the Companies (Accounting Standards) Rules 2006.
- 2 Cash and Cash equivalents Include fixed deposits with the banks.
- 3 Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.

For, Ashesh Alkesh & CO.
Chartered Accountants
 (Firm Regn. 119580W)

Ashesh Shah
Partner
M. No. : 049712

Place : Ahmedabad
Date : 18/08/2016

For, PATELS AIRFLOW LTD.

CHAIRMAN

MANAGING DIRECTOR

DIRECTOR

Place : Ahmedabad
Date : 18/08/2016

Notes on Financial Statements for the Year ended 31st March, 2016

(1) SIGNIFICANT ACCOUNTING POLICIES :

(i) Basis of Accounting :

The financial statements have been prepared to comply with the Generally Accepted Accounting Practices in India including the Accounting Standards in India notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on accrual basis.

(ii) Use of Estimates :

The preparation of the financial statements in conformity with Indian GAAP requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

(iii) Fixed Assets :

Fixed assets are stated at historical cost of acquisition less accumulated depreciation (other than land where no depreciation/amortisation is charged). Cost includes related expenditure and pre-operative & project expenses for the period up to completion of construction/assets are put to use. When asset is sold or discarded, its cost and accumulated depreciation are reduced from the books of accounts and any gain or loss resulting from its disposal is reflected in the Statement of profit & loss.

(iv) Depreciation and Amortization :

Depreciation [other than on lease hold land] is provided as under:

(i) For assets existing on 1st April 2014 the carrying amount will be amortized over remaining useful lives on Straight Line Method as prescribed under Schedule II of the Companies Act, 2013.

(ii) For the assets added after the 1st April 2014 on Straight Line Method at the rates prescribed under Schedule II of the Companies Act, 2013 and on pro rata basis with respect to their period of use.

(v) Borrowing Costs :

Borrowing costs attributable to the acquisition/constructions of a qualifying asset are capitalized as part of the cost of such assets, up to the date, the assets are ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(vi) Valuation of Inventories :

(a) Raw materials and Work-in-Progress are valued at cost.

(b) Finished Goods are valued at cost or net realisable value whichever is lower.

(c) Cost of Finished Goods and Work-in-Progress is determined by taking material cost, labour and relevant appropriate over heads.

(vii) Revenue Recognition :

(a) Sales are recognized when they are invoiced to customers and net of trade discounts, rebate, excise duty and Vat.

(b) Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

(viii) Investments :

Long-term investments are stated at cost of acquisition except in the case of permanent diminution in their value, wherein necessary provision is made. Current Investments is stated at cost or realizable value, whichever is lower.

(ix) Foreign Currency Transactions :

All transactions in foreign currency are recorded at the rates of exchange prevailing on the date of transactions or that approximates the actual rates of exchange at the date of the transaction. Foreign currency assets & liabilities are translated at the exchange rate prevailing on the Balance Sheet date. Resultant gain or loss, if any except to the extent its relate to long term monetary items, is recognised in the Statement of Profit & Loss for the year. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of contract.

- (x) **Taxes on income :**
Provision for current tax is made in accordance with the provisions of the Income Tax Act 1961. Deferred Tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by the Balance Sheet date.
- (xi) **Impairment of Assets :**
An asset is treated as impaired when carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which as asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
- (xii) **Retirement Benefits :**
- (a) Gratuity
The Company has taken a group-cum-life insurance policy from Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy.
- (b) Provident fund
Contribution to defined contribution schemes such as Provident fund and Family Pension Fund are charged to Statement of Profit and Loss, as they are accrued.
- (c) Leave Encasement
Accrued Leave has been provided at year end as calculated by the management.
- (xiii) **Provisions, Contingent Liability and Contingent Assets :**
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes on Accounts. Contingent assets are neither recognised nor disclosed in the financial statements.
- (xiv) **Earning Per Share :**
Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity share holders by weighted average number of equity shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of all dilutive potential equity shares.

Notes on Financial Statements for the Year ended 31 st March, 2016

2. SHARE CAPITAL	Amount In ₹	
	AS AT 31/03/2016	AS AT 31/03/2015
Authorised :		
25,10,000 (25,10,000) Equity shares of ₹ 10/- each	<u>25100000</u>	<u>25100000</u>
Issued, Subscribed & Paid up :		
22,50,080 (22,50,080) Equity Shares of ₹ 10/- each fully paid up	<u>22500800</u>	<u>22500800</u>
Total	<u><u>22500800</u></u>	<u><u>22500800</u></u>

2.1 The reconciliation of the number of Shares Outstanding and the amount of Share Capital

Particulars	AS AT 31/03/2016		AS AT 31/03/2015	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Balance at the beginning of the year	<u>2250080</u>	<u>22500800</u>	<u>2250080</u>	<u>22500800</u>
Balance at the end of the year	<u><u>2250080</u></u>	<u><u>22500800</u></u>	<u><u>2250080</u></u>	<u><u>22500800</u></u>

2.2 The Detail of a share holders holding more than 5% shares:

Name of Shareholder	AS AT 31/03/2016		AS AT 31/03/2015	
	No. of Shares	% held	No. of Shares	% held
Bhogilal I. Patel	317790	14.12	317790	14.12
Gitaben D. Patel	244075	10.85	244075	10.85
Shantaben K. Patel	223825	9.95	223825	9.95
Prakash B. Patel	215800	9.59	215800	9.59
Kashiram K. Patel	135500	6.02	135500	6.02
Trupti H. Patel	128200	5.70	125650	5.58
Madhuben P. Patel	118115	5.25	118115	5.25

2.3 Rights, Preference and Restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹ 10 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the Annual General Meeting.

Notes on Financial Statements for the Year ended 31 st March, 2016

- 2.4 In the event of winding up/liquidation of company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. However since no such amount exist currently, the distribution will be made in accordance with their respective rights.

3. RESERVES AND SURPLUS

Amount In ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Securities Premium A/c		
As per last Balance Sheet	3060000	3060000
General Reserve		
As per last Balance Sheet	13000000	12000000
Add: Transferred from Statement of Profit & Loss A/c.	1000000	1000000
	14000000	13000000
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	64098649	62112705
Add: Profit for the year	7279995	7035946
	71378644	69148651
Less: Appropriations		
Transferred to General Reserve	1000000	1000000
Proposed Dividend on Equity Shares	3375120	3375120
Tax on Dividend	687095	674882
	5062215	5050002
	66316429	64098649
Total	83376429	80158649

4. LONG TERM BORROWINGS

Amount In ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Secured		
From Bank		
Kotak Mahindra Bank Limited	5422039	12560318
From Others		
Kotak Mahindra Prime Limited	421835	562288
Total	5843874	13122606

Notes on Financial Statements for the Year ended 31 st March, 2016**Terms of Borrowing**

- 4.1** Loan from Bank including current maturities is secured against equitable mortgage of factory premises of the company situated at 61/A, GIDC, Phase I, Vatva, Ahmedabad and personal guarantee of the Directors.

The Kotak Mahindra Bank Limited Term Loan - 2 is carrying interest @13.25% and repayable in 60 equated monthly installment of ₹ 68644/- each starting from November 2012 to October 2017. The number of outstanding installments as on 31/03/2016 are 19.

The Kotak Mahindra Bank Limited Term Loan - 6 is carrying interest @13.25% and repayable in 60 equated monthly installment of ₹ 171609/- each starting from January 2013 to April 2013 and ₹ 351655/- each starting from May 2013 to December 2017 . The number of outstanding installments as on 31/03/2016 are 21.

The Kotak Mahindra Bank Limited Term Loan - 7 is carrying interest @13.25% and repayable in 60 equated monthly installment of ₹ 102966/- each starting from January 2013 to December 2017. The number of outstanding installments as on 31/03/2016 are 21.

The Kotak Mahindra Bank Limited Term Loan - 25 is carrying interest @13.00% and repayable in 36 equated monthly installment of ₹ 168740/- each starting from December 2014 to November 2017. The number of outstanding installments as on 31/03/2016 are 20.

- 4.2** Loan from others represents the vehicle loans and is secured against hypothecation of vehicles.

Loan from Kotak Mahindra Prime Ltd. is carrying interest @ 10.25 % and repayable in 60 equated monthly installment of ₹ 16028/- each starting from October 2014 to September 2019. The number of outstanding installments as on 31/03/2016 are 42.

5 DEFERRED TAX LIABILITY**Amount in ₹**

	AS AT 31/03/2016	AS AT 31/03/2015
<u>Deferred Tax Liability</u>		
Related to Fixed Assets	8939114	8141554
Total	<u>8939114</u>	<u>8141554</u>

Notes on Financial Statements for the Year ended 31 st March, 2016

6 SHORT TERM BORROWINGS

Amount In ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Secured		
Working Capital Loan from Banks		
Kotak Mahindra Bank Limited [Buyers' Credit in Foreign Currency]	14974237	19128747
Kotak Mahindra Bank Limited-Cash Credit	23189794	19056121
	38164031	38184868
Unsecured		
From Directors / Members	10000000	10000000
Inter Corporate Deposit	2500000	2500000
	12500000	12500000
Total	50664031	50684868

- 6.1 Working Capital Loans from Banks is secured against Stocks, Book Debts, Plant & Machinery and equitable mortgage of factory premises of the company situated at 61/A, GIDC, Phase I, Vatva, Ahmedabad and personal guarantee of the Directors.

7 TRADE PAYABLES

Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Micro, Small and Medium Enterprise	-	-
Others	38940120	24446709
Total	38940120	24446709

- 7.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :

Amount In ₹

Particulars	AS AT 31/03/2016	AS AT 31/03/2015
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Notes on Financial Statements for the Year ended 31 st March, 2016

8 OTHER CURRENT LIABILITIES Amount in ₹

Particulars	AS AT 31/03/2016	AS AT 31/03/2015
Current Maturity of Long Term Debt	7271378	8013347
Unpaid Dividends*	716420	755776
Advance from Customers	1746151	5394713
Other Payable for		
Book Bank Overdraft	-	2397280
Statutory & Other Liabilities	1722861	1759791
	1722861	4157071
Total	11456810	18320907

* There is no amount due and outstanding as on 31st March, 2016 to be credited to Investors Education and Protection Fund.

9 SHORT TERM PROVISIONS Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Provision for Employee Benefits	900696	1015171
Provision for Taxation	3748535	2395067
Less : Utilisation of MAT Credit	333545	242651
Proposed Equity Dividend [Refer Note Below]*	3375120	3375120
Dividend Distribution Tax	687095	674882
Total	8377901	7217589

*** Note :**

The Board of Directors has recommended the dividend @ ₹ 1.50 per equity share of ₹ 10/- each on 22,50,080 equity shares for the year ended 31 st March, 2016 [Previous year @ ₹ 1.50 per equity share of ₹ 10/- each on 22,50,080 equity shares]

Notes on Financial Statements for the year ended 31st March, 2016										Amount in ₹	
10 FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01-04-15	ADDITION DURING THE YEAR	SALES AND/OR ADJ. DURING THE YEAR	AS ON 31-03-16	AS ON 01-04-15	FOR THE YEAR	ON SALE AND /OR ADJ. DURING THE YEAR	AS ON 31-03-16	AS ON 31-03-16	AS ON 31-03-15	
TANGIBLE ASSETS											
Land (Lease hold)	4988900	-	-	4988900	-	-	-	-	4988900	4988900	
Buildings	40141093	-	-	40141093	5236355	1221257	-	6457612	33683481	34904738	
Plant & Machinery	55206544	3291405	-	58497949	14187104	3532496	-	17719600	40778349	41019440	
Electric Installation	5405600	-	-	5405600	1433818	595400	-	2029218	3376382	3971782	
Furniture & Fixtures	969571	98250	-	1067821	596444	52052	-	648496	419325	373127	
Office Equipments	845768	198454	-	1044222	594385	107275	-	701660	342562	251383	
Computers	1683861	19000	-	1702861	1418234	105287	-	1523521	179340	265627	
Vehicles	18255946	-	2718064	15537882	7174450	2108711	1801497	7481664	8056218	11081496	
TOTAL	127497283	3607109	2718064	128386328	30640790	7722478	1801497	36561771	91824557	96856493	
INTANGIBLE ASSETS											
Software	363344	-	-	363344	128039	94316	-	222355	140989	235305	
TOTAL	363344	-	-	363344	128039	94316	-	222355	140989	235305	
GRANDTOTAL	127860627	3607109	2718064	128749672	30768829	7816794	1801497	36784126	91965546	97091798	
PREVIOUS YEAR	118655352	9205275	-	127860627	23348846	7419983	-	30768829	97091798	-	

Notes on Financial Statements for the Year ended 31 st March, 2016

11 NON CURRENT INVESTMENTS Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
LONG TERM INVESTMENTS - TRADE		
IN FULLY PAID UP EQUITY SHARES - UNQUOTED		
50 Shares of the Green Environment Co-op Society Ltd. (Face value ₹ 100 per Share)	100000	100000
Total	100000	100000

12 LONG TERM LOANS & ADVANCES Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
[Unsecured and Considered Goods]		
Advances for Capital Goods	-	2460000
Security Deposits	1070731	1084529
Excise Duty Refund Receivable	-	310112
Receivable from Govt. Authorities	391159	391159
Income Tax Refund Receivable	3387453	3387453
MAT Credit Entitlement	-	333545
Others	137681	10805
Total	4987024	7977603

13 INVENTORIES Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Raw Materials	21748371	19179710
Work-in-process	19226685	23039761
Finished Goods	116440	232880
[As taken, Valued & Certified by the Management]		
Total	41091496	42452351

14 TRADE RECEIVABLES Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
[Unsecured and Considered Good]		
Over Six Months	7781227	7879331
Others	48626407	48229256
Total	56407634	56108587

Notes on Financial Statements for the Year ended 31 st March, 2016

15 CASH AND BANK BALANCE Amount in ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Cash and Cash Equivalents		
Cash on Hand	246229	398543
Balance with Banks #	12307452	4645926
Other Bank Balance		
Fixed Deposits with Bank*	13855664	12311476
Total	26409345	17355945

Balance with Bank includes unclaimed dividend A/c of ₹ 716420/-
[Previous Year ₹ 755776/-]

* Fixed Deposits with Bank includes Deposit of ₹ 7027608/-
[Previous Year ₹ 2155780/-] with maturity period of more than 12 Months.

16 SHORT TERM LOANS AND ADVANCES Amount In ₹

	AS AT 31/03/2016	AS AT 31/03/2015
[Unsecured and Considered Good]		
CENVAT Credit Receivable	509729	145365
VAT Receivable	-	123167
Advance Income Tax & TDS	3321314	1662218
Advance to Suppliers	4811413	976672
Others	372324	496520
Total	9014780	3403942

17 OTHER CURRENT ASSETS Amount In ₹

	AS AT 31/03/2016	AS AT 31/03/2015
Interest Receivable	123254	103456
Total	123254	103456

Notes on Financial Statements for the Year ended 31 st March, 2016

18 REVENUE FROM OPERATIONS Amount in ₹

	2015 / 2016	2014 / 2015
Sale of Products		
Industrial Fan, Blowers & Accessories	100992226	95852214
Tubes	200331712	183555922
	301323938	279408136
Other Operating Revenue		
Job work Income	9234734	203598
Scrap Sale	4690693	4528258
	13925427	4731856
Revenue From Operations [Gross]	315249365	284139992
Less : Excise Duty	29945571	24433355
Total	285303794	259706637

19 OTHER INCOME Amount in ₹

	2015 / 2016	2014 / 2015
Interest Income		
On FDS with Bank	1156418	1003278
On Deposit	76488	77861
Others	23082	-
	1255988	1081139
Net Gain on Foreign Currency Transactions and Translation	85643	261948
Other Income	-	8999556
Total	1341631	10342643

20 COST OF MATERIALS CONSUMED Amount In ₹

	2015 / 2016	2014 / 2015
RAW MATERIAL CONSUMED		
Opening Stock	19179710	20435480
Add : Purchase	175453503	173623801
	194633213	194059281
Less : Closing Stock	21748371	19179710
Total	172884842	174879571

Notes on Financial Statements for the Year ended 31 st March, 2016

21 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK - IN - PROCESS

Amount in ₹

	2015 / 2016	2014 / 2015
<u>Closing Stock:</u>		
Finished Goods	116440	232880
Work - in - Process	19226685	23039761
	19343125	23272641
<u>Less : Opening Stock:</u>		
Finished Goods	232880	1678059
Work - in - Process	23039761	21011686
	23272641	22689745
<u>Add / (Less) :</u>		
Differential Excise Duty on Opening and Closing Stock on Finished Goods	14200	143923
Total	(3915316)	726819

22 EMPLOYEE BENEFIT EXPENSE

Amount in ₹

	2015 / 2016	2014 / 2015
Salaries and Wages	16091491	15620399
Contribution to Provident and Other Fund	1595499	1836698
Staff Welfare Expense	1088192	2453743
Total	18775182	19910840

23 FINANCE COST

Amount In ₹

	2015 / 2016	2014 / 2015
Interest Expense	5983608	7605168
Other Financial Charges	1143622	1027206
Total	7127230	8632374

Notes on Financial Statements for the Year ended 31st March, 2016

24 OTHER EXPENSE

Amount in ₹

	2015 / 2016	2014 / 2015
Stores, Spare-parts & Packing Material Consumed	19918674	10519421
Labour Charges	16342870	14630537
Power and Fuel	13283025	11565358
Rent, Rates & Taxes	434965	399375
Repairs to :		
Building	376526	589706
Machinery	1314862	1522519
Others	268486	196917
	1959874	2309142
Audit Fees	91525	89888
Commission	152248	339514
Legal & Professional Charges	427500	701239
Travelling Expenses	1353821	822527
Stationery & Printing Exp.	383647	358928
Vehicle Expenses	1119151	1063703
General Charges	5613636	4295660
Transport and Handling Charges	2727468	2524191
Loss on Sale of Assets	491567	-
Total	64299971	49619483

25 Details of guarantees Given :

Particulars	2015 / 2016	2014 / 2015
Bank guarantees given (in ₹)	7457989	5419953

26 Capital Commitments

Estimated amount of Contracts remaining to be executed for capital expenditure and not provided for is ₹ Nil [Previous year ₹ 3500000/-] against which advances have been paid ₹ Nil [Previous Year ₹ 2460000/-].

Notes on Financial Statements for the Year ended 31 st March, 2016

27 Details of Foreign Currency Exposures

Hedged by Derivative Instruments (Forward Contract)

	2015 / 2016	2014 / 2015
	In US \$	In US \$
Hedging of Buyers Credit Loan	116322	-

[Not hedged by a Derivative Instruments or otherwise]

	2015 / 2016		2014 / 2015	
	In US \$	In ₹.	In US \$	In ₹.
Foreign Currency Loan Payable	109432	7258627	305616	19128747
Trade Receivable	-	-	183690	11497332

28 Employee Benefits

Particulars	2015 / 2016	2014 / 2015
Contribution to Provident & Pension Fund (in ₹)	1439097	1457211
Contribution towards LIC Group Gratuity Scheme (in ₹)	31951	245634

29 As per the information given by the management, the Company has only one reportable business segment i.e. Manufacturing of Industrial Fan, Blowers and Tubes and its related accessories. Hence, segment wise information is not required to be disclosed.

30 Earning Per Share :

	Year ended 31/03/2016	Year ended 31/03/2015
Net Profit for the year after tax (in ₹)	7279995	7035946
No. of Equity Shares at the beginning of the year	2250080	2250080
No. of Equity Shares at the end of the year	2250080	2250080
Weighted average No. of Shares o/s during the year	2250080	2250080
Face Value Per Share (₹)	10	10
Basic & Diluted Earning Per Share (₹ Per Share)	3.24	3.13

Notes on Financial Statements for the Year ended 31 st March, 2016

31 Auditor's Remuneration : Amount In ₹.

	2015 / 2016	2014 / 2015
Audit Fees (Inclusive of Service Tax)	74425	73034
Income Tax Matter (Inclusive of Service Tax)	17100	16854

32 As per Accounting Standard 18, the disclosures of transaction with related parties as defined in the Accounting Standard are given below :

(i) List of related parties and related parties with whom transactions have taken place and relationships :

(a) Key Management Personnel

Popatbhai B. Patel
 Bhogilal I. Patel
 Kashiram K. Patel
 Himanshu P. Patel
 Prakash B. Patel
 Devang K. Patel

(b) Relatives of key Management Personnel & entities over which key management personnel or their relatives, exercise significant influence :

(ii) Transactions during the year with related parties : (Amount in ₹)

Sr. No.	Nature of Transactions	Key Management Personnel and their relatives	Entities Under Significant influence	Total
1	Unsecured Loans			
	Balance as at 01/04/2015	10000000	-	10000000
		(5350000)	(4650000)	(10000000)
	Received during the year	-	-	-
		(10750000)	(-)	(10750000)
	Repaid during the year	-	-	-
		(6100000)	(4650000)	(10750000)
	Balance as at 31/03/2016	10000000	-	10000000
		(10000000)	(-)	(10000000)
2	Interest Paid	1000000	-	1000000
		(641063)	(558000)	(1199063)
3	Director remuneration	7200000	-	7200000
		(720000)	(-)	(720000)

Notes on Financial Statements for the Year ended 31 st March, 2016

33 Contingent Liabilities :

Particulars	2015 / 2016	2014 / 2015
Contingent Liabilities not provided for in financial statements	₹ Nil	₹ Nil

34 Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with those of current year.

35 No Provision for amortisation of lease hold land acquired under the scheme has been made in the books of accounts, the amount of which has not been ascertained by the company. Hence its effect on Profit and Loss Account could not be known.

36 Additional information pursuant to the provisions of Paragraph 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.

(i) Break up of Raw Materials Consumed :

Class of Materials	Value ₹	Value ₹
Iron & Steel	28896251	24455920
Electric Motors	10323618	8809024
Seamless Tubes	120432565	124202276
Others	13232408	17412351
Total	172884842	174879571

(ii) Value of imported and indigenous Raw Materials, Stores, Spares and Packing Material Consumed :

	2015 / 2016		2014 / 2015	
	In %	In ₹	In %	In ₹
Raw Materials				
- Imported	47.00	81532759	34.00	59477188
- Indigenous	53.00	91352083	66.00	115402383
Total	100.00	172884842	100.00	174879571
Stores, Spares & Packing Material				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	100.00	19918674	100.00	10519421
Total	100.00	19918674	100.00	10519421

(iii) C.I.F. Value of Imports :

		2015 / 2016	2014 / 2015
1	Raw Material [In ₹]	64574710	60216302

(iv) Expenditure in Foreign Currency :

		2015 / 2016	2014 / 2015
1	Travelling Expense [In ₹]	105404	107266
2	Sales Promotion Expense [In ₹]	332540	-
3	Interest on Buyers Credit [In ₹]	182737	118277

(v) Earning in Foreign Exchange :

		2015 / 2016	2014 / 2015
1	F.O.B. Value of Exports [In ₹]	16056214	31821869

Signatures to Note "1" to "36"

As per our report of even date attached.

For, Ashesh Alkesh & Co.
Chartered Accountants
 [Firm Regn. No. : 119580W]

Ashesh Shah
Partner
M. No. : 049712

Place : Ahmedabad
Date : 18/08/2016

For, PATELS AIRFLOW LTD.

POPATBHAI B. PATEL
CHAIRMAN

BHOGILAL I. PATEL
MANAGING DIRECTOR

KASHIRAM K. PATEL
DIRECTOR

Place : Ahmedabad
Date : 18/08/2016

PATELS AIRFLOW LIMITED

CIN: U31909GJ2001PLC039998

Regd. Office:

61, PHASE-I, GIDC INDUSTRIAL ESTATE, VATVA, Ahmedabad 382445

Tel.: (079) 25831536,25830658, Fax Number:-091-(079)-25831537

ATTENDANCE SLIP

(To be presented at the entrance)

ANNUAL GENERAL MEETING ON FRIDAY 30TH SEPTEMBER, 2016 AT 11.00 A.M.

AT 61, PHASE- I, GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD 382445

Folio No: _____ DP ID: _____ Client Id: _____

Name of the member (s): _____ Signature: _____

Name of 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.

PATELS AIRFLOW LIMITED

CIN: U31909GJ2001PLC039998

Regd.Office: 61, PHASE-I, GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD 382445

Tel.: (079) 25831536,25830658, Fax Number:-091-(079)-25831537

Web site: www.patelsairflows.com E-mail ID: paflacct@gmail.com

FORM NO. MGT-11

PROXY FORM

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

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____

DP ID : _____

I/We, Being The Member (S) Of Patels Airflow Limited holding equity shares of the above named company, hereby appoint

1. Name : _____

Address : _____

E-mail Id : _____ Signature : _____

Or failing him

2. Name : _____

Address : _____

E-mail Id : _____ Signature : _____

Or failing him

3. Name : _____

Address : _____

E-mail Id : _____ Signature : _____

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 Friday, 30th September, 2016 at 11.00 a.m. at 61, PHASE- I, GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD 382445 (GUJARAT) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2016, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of SHRI BHOGILAL I. PATEL (DIN 00144617) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of SHRI KASHIRAM K. PATEL (DIN 00145292) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Ashesh Alkesh & Co. Chartered Accountants, (firm Registration No.119580W) as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

Affix
revenue
Stamp

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

Notes:

THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, 61, PHASE- I, GIDC INDUSTRIAL ESTATE, VATVA, AHMEDABAD-382445 NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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INTENTIONALLY LEFT BLANK**

COURIER / SPEED POST / REG. AD.
(PRINTED MATTER)

To, _____

If undelivered please return to :



PATELS AIRFLOW LIMITED.

61, Phase – I, G.I.D.C. Industrial Estate,
Vatva, AHMEDABAD-382 445
(GUJARAT)