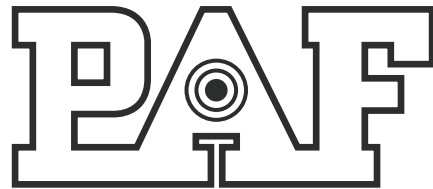


**16<sup>th</sup>**  
**ANNUAL REPORT**  
**2016 / 2017**



***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](mailto:pafl@dataone.in), [paflacct@rediffmail.com](mailto:paflacct@rediffmail.com)**

**CIN NO.: U31909GJ2001PLC039998**

# ***PATELS AIRFLOW LIMITED.***

## **16<sup>TH</sup> ANNUAL REPORT 2016 / 2017**

**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 16th Annual General Meeting of the members of PATELS AIRFLOW LIMITED will be held on Thursday, the 28<sup>th</sup> September, 2017, 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 31<sup>st</sup> March 2017, 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 POPATBHAI B. PATEL (DIN 00145058) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of SHRI HIMANSHU P. PATEL (DIN 00145270) 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.

**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 25<sup>th</sup> September, 2017 to 28<sup>th</sup> September, 2017 (both days inclusive).
7. Dividend, if declared, will be paid to those members whose names appear in the Register of Members on 28<sup>th</sup> September, 2017.
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 2008-09 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 28-09-2017. 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, 2017 is uploaded on the Company's website [www.patelsairflow.com](http://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 2016-17 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 2016-17 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](http://www.evotingindia.com).

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

Step 3 : Select the Electronic Voting Sequence Number (EVSN) i.e. " **170731021** " 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](http://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. " **170731021** " 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 24<sup>th</sup> September, 2017 (9.00 a.m.) and ends on 27<sup>th</sup> September, 2017 (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 21<sup>st</sup> September, 2017 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](http://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](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **PARTICULARS OF DIRECTORS RETIRING BY ROTATION AND ELIGIBLE FOR REAPPOINTMENT**

<b>Name of Director</b>	<b>POPATBHAI B. PATEL</b> (DIN 00145292)	<b>HIMANSHU P. PATEL</b> (DIN 00145270)
<b>Date of Birth</b>	<b>01/08/1939</b>	<b>05/01/1969</b>
<b>Date of Appointment</b>	<b>17/09/2001</b>	<b>01/10/2006</b>
<b>Qualification</b>	<b>EXECUTIVE DIRECTOR</b>	<b>EXECUTIVE DIRECTOR</b>
<b>Expertise in specific Functional areas</b>	<b>TECHNICALLY QUALIFIED AND POSSESS SPECIAL KNOWLEDGE</b>	<b>TECHNICALLY QUALIFIED AND POSSESS SPECIAL KNOWLEDGE</b>
<b>List of Companies in which Directorship is held</b>	<b>NIL</b>	<b>NIL</b>
<b>Chairman / Member of the Committee of other Companies</b>	<b>NO</b>	<b>NO</b>

**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

**Registered Office**

61, Phase-I, GIDC Industrial Estate, Vatva,  
Ahmedabad - 382445  
Date: 22-08-2017

**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 31<sup>st</sup> March 2017. The financial position of the company is reflected hereunder:

**FINANCIAL RESULTS**

The following figures reveals the financial position of the company :

Particulars	Year 2016-17 ₹	Year 2015-16 ₹
Income from Sales and other sources :	28,47,07,953	28,66,45,425
Profit before prior year adujstment and taxation	1,01,80,058	1,18,26,090
Add / (Less) : Prior Year adjustments :	(94,759)	7,97,560
Profit before taxation :	<b>1,00,85,299</b>	<b>1,10,28,530</b>
Less : Provision for taxation;	26,68,656	37,48,535
Profit after taxation :	<b>74,16,643</b>	<b>72,79,995</b>
Add : Balance brought forward	6,63,16,429	6,40,98,649
Profit available for appropriation	7,39,22,590	7,13,78,644
Less : Appropriations:		
Proposed Dividend	27,00,096	33,75,120
Tax on dividend	5,49,676	6,87,095
	32,49,772	40,62,215
Transfer to General Reserve	10,00,000	10,00,000
Balance carried to Balance Sheet	<b>6,96,72,818</b>	<b>6,63,16,429</b>

**DIVIDEND :**

Your Directors are pleased to inform you that subject to your approval, they have decided to recommend payment of dividend @12% (₹ 1.2/-) per share, on the equity shares of the company.

**DIRECTORS RETIRING BY ROTATION:**

Shri Popatbhai B. Patel (Din 00145058) and Shri Himanshu P. Patel (DIN 00145270) retire by rotation and being eligible, offer themselves for reappointment. Members are requested to appoint Directors in their place.

**NUMBER OF MEETINGS OF THE BOARD**

During the year 8 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 2016-17.

**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: 22/08/2017

**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 31.03.2017**

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-2016]				No. of Shares held at the end of the year[As on-31March-2017]				% Change during the year
	Demate	Phy si ca l	Total	% of Total Shares	Demat	Phy si ca l	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1917183	0	1917183	85.82%	1914683	13950	1928633	85.71	-0.11
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
<b>Total shareholding of Promoter (A)</b>	1917183	0	1917183	85.82%	1914683	13950	1928633	85.71	-0.11
<b>B. Public Shareholding</b>									
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)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0

<b>2. Non - Institutions</b>									
a) Bodies Corp.	0	0	0	0	6625	1050	7675	0.34	0.34
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	319047	0	319047	14.18%	162466	133644	296110	13.16	1.02
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	17637	0	17637	0.78	0.78
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	25	0	25	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
<b>Sub total-(B)(2):-</b>	319047	0	319047	14.18%	186753	134694	321447	14.29%	-0.11
Total Public Shareholding (B)=(B)(1)+(B)(2)	319047	0	319047	14.18%	186753	134694	321447	14.29%	-0.11
<b>C. Shares held Custodian by for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	2250080	0	2250080	100%	2101436	148644	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	128200		0	128200		0
7	MADHUBEN P PATEL	118115		0	118115		0
8	POPATLAL B PATEL	112011		0	112011		0
9	HIMANSHU P PATEL	123325		0	123325		0
10	RITA PRAKASH PATEL	106411		0	106411		0
11	POPATLAL BHOPABHAI PATEL	91750		0	91750		0
12	HIMANSHU POPATLAL PATEL	66500		0	66500		0
13	GEETA BHOGILAL PATEL	11270		0	11270		0
14	JIGNESH BHOGILAL PATEL	9325		0	9325		0
15	ROSHNI J PATEL	5750		0	5750		0
16	BHOGILAL ISHVARLAL PATEL	4000		0	4000		0
17	PRAKASH BHOGILAL PATEL HUF	3725		0	3725		0
18	DEVANG KASHIRAM PATEL	2500		0	2500		0
19	PATEL KOKILABEN MAHESHBHAI	1924		0	1924		0
20	HARSHADKUMAR PATEL	1250		0	1250		0
21	JADIBEN ISHVARBHAI PATEL	1250		0	1250		0
22	ALPA GIRISH PATEL	1250		0	1250		0

23	JAGRUTI HARSHADKUMAR PATEL	1200		0	1200		0
24	CHIRAG LALLUBHAI PATEL	475		0	475		0
25	MAHESHBHAI ISHVARBHAI PATEL	462		0	462		0
26	JADIBEN ISHVARBHAI PATEL	300		0	300		0
27	SHANTBEN LALLUBHAI PATEL	175		0	175		0
28	BHOGILAL ISHWARLAL PATEL	100		0	100		0
29	BHANUBHAI ISHVERBHAI PATEL	50		0	50		0
30	KALPESHBHAI NARAYANDAS PATEL	50		0	50		0
31	HARSHAD PATEL	50		0	50		0
32	JAGRUTIBEN PATEL	50		0	50		0
33	ROSHNI LALLUBHAI PATEL	50		0	50		0
34	RITA PRAKASH PATEL	50		0	50		0
35	NAVIN TULSIDAS PATEL	50		0	50		0
36	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
<b>Indebtedness at the beginning of the financial year</b>				
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
<b>Total (i+ii+iii)</b>	38164031/-	12500000/-	1070731/-	51734762/-
Change in Indebtedness during the financial year				
* Addition	578778/-	0	0	578778/-
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	38742809/-	12500000/-	1070731/-	52313540/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	38742809/-	12500000/-	1070731/-	52313540/-

**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
		Bhogibhai 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
		Himanshu 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**

<b>1. ELECTRICITY</b>	<b>Current Year</b>	<b>Previous Year</b>
(a) Purchased		
Units	907205	721629
Total Amount ₹	6881737	6223714
Rate / Unit	7=59	8=62
(b) Own Generation		
(i) Through diesel generator		
Unit	-	-
Unit per-ltr. of diesel oil		
Cost / Unit	24980	106010
(ii) Through steam turbine / generator		
Unit	-	-
Unit per-ltr. of fuel oil / gas		
Cost / Unit	-	
<b>2. COAL (SPECIFY QUALITY AND WHERE USED)</b>	<b>Nil</b>	<b>Nil</b>
Quantity (tonnes)		
Total Cost		
Average Rate		
<b>3. FURANCE OIL</b>	<b>Nil</b>	<b>Nil</b>
Quantity (k. ltrs.)		
Total Cost		
Average Rate		
<b>4. OTHERS / INTERNAL GENERATION (Please give details).</b>		
(P.N.G)		
Quantity - scm	2,19,445	1,94,551
Total Cost ₹	63,93,983	64,46,418
Average Rate	29=14	33=13

**B. CONSUMPTION PER UNIT OF PRODUCTION :**

	<b>Standards (if any)</b>	<b>Current Year 1</b>	<b>Previous Year 2</b>
Products (with details) Unit	-	1761 Nos	1414 Nos
		1653522 kgs	1803647 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 : 22nd August, 2017**

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, 2017, 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. 31 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, 2017, 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 31<sup>st</sup> March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- (iv)

The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us

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]**

**Place: Ahmedabad  
Date: 22/08/2017**

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

**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 **PATELS AIRFLOW LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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, 2017, 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]**

**Place: Ahmedabad  
Date: 22/08/2017**

**Ashesh Shah  
Partner  
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) (iiia), (iiib) & (iiic) 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 31/03/2017 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 31/03/2017. 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 clause 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 and further public offer (including debt instruments) during the year. The Term Loans raised during the year has been utilized for the purpose for which it was raised.
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, according 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]**

**Place: Ahmedabad  
Date: 22/08/2017**

**Ashesh Shah  
Partner  
Membership No. 049712**



## 16th ANNUAL REPORT

## PATELS AIRFLOW LIMITED.

BALANCE - SHEET AS AT 31ST MARCH, 2017			Amount In ₹
	NOTE	AS AT 31/03/2017	AS AT 31/03/2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds :</b>			
Share Capital	2	22500800	22500800
Reserves & Surplus	3	87732818	83376429
		<b>110233618</b>	105877229
<b>Non Current Liabilities :</b>			
Long Term Borrowings	4	6732486	5843874
Deferred Tax Liability (Net)	5	8844355	8939114
		<b>15576841</b>	14782988
<b>Current Liabilities</b>			
Short Term Borrowings	6	51242809	50664031
Trade Payables	7	19172810	38940120
Other Current Liabilities	8	24834608	11456810
Short Terms Provisions	9	7037237	8377901
		<b>102287464</b>	109438862
<b>TOTAL</b>		<b>228097923</b>	230099079
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixes Assets	10	95175530	91824557
Intangible Assets	10	46476	140989
Non Current Investments	11	100000	100000
Long Term Loans & Advances	12	2166879	4987024
		<b>97488885</b>	97052570
<b>Current Assets</b>			
Inventories	13	42721711	41091496
Trade Receivables	14	56444848	56407634
Cash & Bank Balances	15	26546658	26409345
Short Term Loans & Advances	16	4785947	9014780
Other Current Assets	17	109874	123254
		<b>130609038</b>	133046509
<b>TOTAL</b>		<b>228097923</b>	230099079
Significant Accounting Policies	1		
Notes on Financial Statements	1 to 41		
As per our report of even date attached.		<b>For, PATELS AIRFLOW LTD.</b>	
		POPATBHAI B. PATEL CHAIRMAN DIN : 00145058	
<b>For, Ashesh Alkesh &amp; Co.</b> Chartered Accountants (Firm Regn. 119580W)		BHOGILAL I. PATEL MANAGING DIRECTOR DIN : 00144617	
Ashesh Shah Partner M. No. 049712		KASHIRAM K. PATEL DIRECTOR DIN : 00145192	
Place : Ahmedabad. Date: 22/08/2017		Place : Ahmedabad. Date: 22/08/2017	

**16th ANNUAL REPORT**
**PATELS AIRFLOW LIMITED.**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017		Amount In ₹	
	NOTE	2016/2017	2015/2016
<b>INCOME</b>			
Revenue From Operations	18	<b>282278345</b>	285303794
Other Income	19	<b>2429608</b>	1341631
<b>Total</b>		<b>284707953</b>	286645425
<b>EXPENDITURE</b>			
Cost of Raw Material Consumed	20	<b>182350686</b>	172884842
Change in Inventories	21	<b>(4816210)</b>	3915316
Employee Benefit Expense	22	<b>21089606</b>	18775182
Finance Cost	23	<b>7466649</b>	7127230
Depreciation and Amortisation Expense	10	<b>8622800</b>	7816794
Other Expense	24	<b>59814364</b>	64299971
<b>Total</b>		<b>274527895</b>	274819335
<b>PROFIT BEFORE TAXATION</b>		<b>10180058</b>	11826090
<b>TAX EXPENSE</b>			
Current Tax		<b>2668656</b>	3748535
Deferred Tax		<b>(94759)</b>	797560
		<b>2573897</b>	4546095
<b>PROFIT FOR THE YEAR</b>		<b>7606161</b>	7279995
<b>Earning per equity share of face value of ₹ 10 each</b>			
Basic and Diluted ESP [in ₹]		<b>3.38</b>	3.24
Significant Accounting Policies	1		
Notes on Financial Statements	1 to 41		
As per our report of even date attached.		<i>For, PATELS AIRFLOW LTD.</i>	
		POPATBHAI B. PATEL CHAIRMAN DIN : 00145058	
<b>For, Ashesh Alkesh &amp; Co.</b> <b>Chartered Accountants</b> (Firm Regn. 119580W)		BHOGILAL I. PATEL MANAGING DIRECTOR DIN : 00144617	
Ashesh Shah Partner M. No. 049712		KASHIRAM K. PATEL DIRECTOR DIN : 00145192	
Place : Ahmedabad. Date : 22/08/2017		Place : Ahmedabad Date : 22/08/2017	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017		Amount In ₹
	2016 / 2017	2015 / 2016
<b>1 Cash Flow From Operating Activities</b>		
Net Profit Before tax	10180058	11826090
Adjustment for :		
Depreciation & Amortization	8622800	7816794
Loss On Sale of Fixed Assets	-	491567
Profit On Sale of Fixed Assets	(201347)	-
Interest Income	(1852524)	(1255988)
Finance Cost	7466649	7127230
	14035578	14179603
<b>Operating Profit Before Working Capital Changes</b>	24215636	26005693
Adjusted for:		
Trade Payables	(19767310)	14493411
Other Current Liabilities	13496359	(6122128)
Short Term Provisions	218113	(114475)
Long Term Loans & Advances	124672	2657034
Inventories	(1630215)	1360855
Trade Receivables	(37214)	(299047)
Short Term Loans & Advances	4356139	(3951742)
Income Tax Paid (Net)	(846824)	(3811512)
	(4086280)	4212396
<b>Cash Generated From/(Used in) Operations</b>	<b>20129356</b>	<b>30218089</b>
<b>2 Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(12222912)	(3607109)
Sale of Fixed Assets	545000	425000
Interest received	1865904	1236190
<b>Net Cash From/(Used in) Investing Activities</b>	<b>(9812008)</b>	<b>(1945919)</b>
<b>3. Cash Flow From Financing Activities</b>		
Interest Paid	(7466649)	(7127230)
Proceeds from Long Term Borrowings	9000000	-
Repayment of long term Borrowings	(8229949)	(8020701)
Net Proceeds / (Repayment) from Short Term Borrowings	578778	(20837)
Dividends & Payment of Dividend Tax	(4062215)	(4050002)
<b>Net Cash From/(Used in) Financing Activities</b>	<b>(10180035)</b>	<b>(19218770)</b>
<b>4 Net Increase/(Decrease) In Cash and Cash Equivalents</b>	137313	9053400
<b>5 Cash and Cash Equivalents as at the beginning of the Year</b>	26409345	17355945
<b>6 Cash and Cash Equivalents as at the end of the Year</b>	26546658	26409345

**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 : 22/08/2017

**For, PATELS AIRFLOW LTD.**

POPATBHAI B. PATEL  
 CHAIRMAN  
 DIN : 00145058

BHOGILAL I. PATEL  
 MANAGING DIRECTOR  
 DIN : 00144617

KASHIRAM K. PATEL  
 DIRECTOR  
 DIN : 00145192

Place : Ahmedabad  
 Date : 22/08/2017

## **Notes on Financial Statements for the Year ended 31st March, 2017**

### **(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 1<sup>st</sup> 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 1<sup>st</sup> 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, 2017

2. SHARE CAPITAL Amount In ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>Authorised :</b>		
25,10,000 (25,10,000) Equity shares of ₹ 10/- each	<u>25100000</u>	<u>25100000</u>
<b>Issued, Subscribed &amp; Paid up :</b>		
22,50,080 (22,50,080) Equity Shares of ₹ 10/- each fully paid up	<u>22500800</u>	<u>22500800</u>
<b>Total</b>	<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 31/03/2017		AS AT 31/03/2016	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Balance at the beginning of the year	<u>2250080</u>	<u>22500800</u>	2250080	22500800
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 31/03/2017		AS AT 31/03/2016	
	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	128200	5.70
Himanshu P. Patel	123325	5.48	-	-
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, 2017**

- 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 31/03/2017	AS AT 31/03/2016
<b>Securities Premium A/c</b>		
As per last Balance Sheet	3060000	3060000
<b>General Reserve</b>		
As per last Balance Sheet	14000000	13000000
Add: Transferred from Statement of Profit & Loss A/c.	1000000	1000000
	15000000	14000000
<b>Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	66316429	64098649
Add: Profit for the year	7606161	7279995
	73922590	71378644
<b>Less: Appropriations</b>		
Transferred to General Reserve	1000000	1000000
Proposed Dividend on Equity Shares	2700096	3375120
Tax on Dividend	549676	687095
	4249772	5062215
	69672818	66316429
<b>Total</b>	<b>87732818</b>	<b>83376429</b>

**4. LONG TERM BORROWINGS**

Amount In ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>Secured From Bank</b>		
Kotak Mahindra Bank Limited	-	5422039
<b>From Others</b>		
Finance Companies	6732486	421835
<b>Total</b>	<b>6732486</b>	<b>5843874</b>



**Notes on Financial Statements for the Year ended 31 st March, 2017****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 31/03/2017 are 7.

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 31/03/2017 are 9.

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 31/03/2017 are 9.

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 31/03/2017 are 8.

- 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 31/03/2017 are 30.

Loan from Volkaswagan Finance Private Limited is carrying interest @ 9.01% and repayable in 60 equated monthly installment of ₹ 62303/- each starting from August 2016 to July 2021. The number of outstanding installments as on 31/03/2017 are 52.

Loan from Volkaswagan Finance Private Limited is carrying interest @ 9.01% and repayable in 60 equated monthly installment of ₹ 62303/- each starting from August 2016 to July 2021. The number of outstanding installments as on 31/03/2017 are 52.

Loan from Toyota Finance Private Limited is carrying interest @ 9.35% and repayable in 60 equated monthly installment of ₹ 62790/- each starting from September 2016 to August 2021. The number of outstanding installments as on 31/03/2017 are 53.

**5 DEFERRED TAX LIABILITY****Amount in ₹**

	AS AT 31/03/2017	AS AT 31/03/2016
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	<b>8844355</b>	8939114
<b>Total</b>	<b>8844355</b>	8939114

## Notes on Financial Statements for the Year ended 31 st March, 2017

## 6 SHORT TERM BORROWINGS Amount In ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>Secured</b>		
<b>Working Capital Loan from Banks</b>		
Kotak Mahindra Bank Limited [Buyers' Credit in Foreign Currency]	-	14974237
Kotak Mahindra Bank Limited-Cash Credit	<b>38742809</b>	23189794
	<b>38742809</b>	38164031
<b>Unsecured</b>		
From Directors / Members	<b>10000000</b>	10000000
Inter Corporate Deposit	<b>2500000</b>	2500000
	<b>12500000</b>	12500000
<b>Total</b>	<b>51242809</b>	50664031

- 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 31/03/2017	AS AT 31/03/2016
Micro, Small and Medium Enterprise	-	-
Others	<b>19172810</b>	38940120
<b>Total</b>	<b>19172810</b>	38940120

- 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 31/03/2017	AS AT 31/03/2016
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, 2017

8 OTHER CURRENT LIABILITIES Amount in ₹

Particulars	AS AT 31/03/2017	AS AT 31/03/2016
Current Maturity of Long Term Debt	7152817	7271378
Unpaid Dividends*	740973	716420
Advance from Customers	4780877	1746151
Other Payable for		
Book Bank Overdraft	9473235	-
Statutory & Other Liabilities	2686706	1722861
	12159941	1722861
<b>Total</b>	<b>24834608</b>	<b>11456810</b>

\* There is no amount due and outstanding as on 31st March, 2017 to be credited to Investors Education and Protection Fund.

9 SHORT TERM PROVISIONS Amount in ₹

	AS AT 31/03/2017	AS AT 31/03/2016
Provision for Employee Benefits	1118809	900696
Provision for Taxation	2668656	3748535
Less : Utilisation of MAT Credit	-	333545
Proposed Equity Dividend [Refer Note Below]*	2700096	3375120
Dividend Distribution Tax	549676	687095
<b>Total</b>	<b>7037237</b>	<b>8377901</b>

## \* Note :

The Board of Directors has recommended the dividend @ ₹ 1.20 per equity share of ₹ 10/- each on 22,50,080 equity shares for the year ended 31 st March, 2017 [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, 2017										Amount in ₹	
10 FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01-04-16	ADDITION DURING THE YEAR	SALES AND/OR ADJ. DURING THE YEAR	AS ON 31-03-17	AS ON 01-04-16	FOR THE YEAR	ON SALE AND /OR ADJ. DURING THE YEAR	AS ON 31-03-17	AS ON 31-03-17	AS ON 31-03-16	
<b>TANGIBLE ASSETS</b>											
Land (Lease hold)	4988900	-	-	4988900	-	-	-	-	4988900	4988900	
Buildings	40141093	-	-	40141093	6457612	1221388	-	7679000	32462093	33683481	
Plant & Machinery	58497949	1384116	144950	59737115	17719600	3763081	60696	21421985	38315130	40778349	
Electric Installation	5405600	-	-	5405600	2029218	592974	-	2622192	2783408	3376382	
Furniture & Fixtures	1067821	-	-	1067821	648496	61208	-	709704	358117	419325	
Office Equipments	1044222	111750	-	1155972	701660	144115	-	845775	310197	342562	
Computers	1702861	125231	-	1828092	1523521	101550	-	1625071	203021	179340	
Vehicles	15537882	10601815	2123316	24016381	7481664	2643971	1863918	8261717	15754664	8056218	
<b>TOTAL</b>	<b>128386328</b>	<b>12222912</b>	<b>2268266</b>	<b>138340974</b>	<b>36561771</b>	<b>8528287</b>	<b>1924614</b>	<b>43165444</b>	<b>95175530</b>	<b>91824557</b>	
<b>INTANGIBLE ASSETS</b>											
Software	363344	-	-	363344	222355	94513	-	316868	46476	140989	
<b>TOTAL</b>	<b>363344</b>	<b>-</b>	<b>-</b>	<b>363344</b>	<b>222355</b>	<b>94513</b>	<b>-</b>	<b>316868</b>	<b>46476</b>	<b>140989</b>	
<b>GRANDTOTAL</b>	<b>128749672</b>	<b>12222912</b>	<b>2268266</b>	<b>138704318</b>	<b>36784126</b>	<b>8622800</b>	<b>1924614</b>	<b>43482312</b>	<b>95222006</b>	<b>91965546</b>	
<b>PREVIOUS YEAR</b>	127860627	3607109	2718064	128749672	30768829	7816794	1801497	36784126	91965546	-	

## Notes on Financial Statements for the Year ended 31 st March, 2017

## 11 NON CURRENT INVESTMENTS Amount in ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>LONG TERM INVESTMENTS - TRADE</b>		
<b>IN FULLY PAID UP EQUITY SHARES - UNQUOTED</b>		
50 Shares of the Green Environment Co-op Society Ltd. (Face value ₹ 100 per Share)	100000	100000
<b>Total</b>	<b>100000</b>	<b>100000</b>

## 12 LONG TERM LOANS &amp; ADVANCES Amount in ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>[Unsecured and Considered Goods]</b>		
Security Deposits	1070731	1070731
Receivable from Govt. Authorities	391159	391159
Income Tax Refund Receivable	691980	3387453
Others	13009	137681
<b>Total</b>	<b>2166879</b>	<b>4987024</b>

## 13 INVENTORIES Amount in ₹

	AS AT 31/03/2017	AS AT 31/03/2016
Raw Materials	18562376	21748371
Work-in-process	24042895	19226685
Finished Goods	116440	116440
[As taken, Valued & Certified by the Management]		
<b>Total</b>	<b>42721711</b>	<b>41091496</b>

## 14 TRADE RECEIVABLES Amount in ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>[Unsecured and Considered Good]</b>		
Over Six Months	11109335	7781227
Others	45335513	48626407
<b>Total</b>	<b>56444848</b>	<b>56407634</b>

## Notes on Financial Statements for the Year ended 31 st March, 2017

15 CASH AND BANK BALANCE Amount in ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>Cash and Cash Equivalents</b>		
Cash on Hand	397802	246229
Balance with Banks #	1042899	6662493
<b>Other Bank Balance</b>		
Fixed Deposits with Bank*	25105957	19500623
<b>Total</b>	<b>26546658</b>	<b>26409345</b>

# Balance with Bank includes unclaimed dividend A/c of ₹ 740973/-  
[ Previous Year ₹ 716420/-]

\* Fixed Deposits with Bank includes Deposit of ₹ 14829033/-  
[ Previous Year ₹ 12672567/- ] with maturity period of more than 12 Months.

16 SHORT TERM LOANS AND ADVANCES Amount In ₹

	AS AT 31/03/2017	AS AT 31/03/2016
<b>[Unsecured and Considered Good]</b>		
CENVAT Credit Receivable	536394	509729
Advance Income Tax & TDS	3448620	3321314
Advance to Suppliers	114785	4811413
Others	686148	372324
<b>Total</b>	<b>4785947</b>	<b>9014780</b>

17 OTHER CURRENT ASSETS Amount In ₹

	AS AT 31/03/2017	AS AT 31/03/2016
Interest Receivable	109874	123254
<b>Total</b>	<b>109874</b>	<b>123254</b>

## Notes on Financial Statements for the Year ended 31 st March, 2017

18 REVENUE FROM OPERATIONS Amount in ₹

	2016 / 2017	2015 / 2016
<b>Sale of Products</b>		
Industrial Fan, Blowers & Accessories	102487590	100992226
Tubes	189893346	200331712
	<b>292380936</b>	301323938
<b>Other Operating Revenue</b>		
Job work Income	16073788	9234734
Scrap Sale	4105500	4690693
	<b>20179288</b>	13925427
Revenue From Operations [Gross]	<b>312560224</b>	315249365
Less : Excise Duty	<b>30281879</b>	29945571
<b>Total</b>	<b>282278345</b>	285303794

19 OTHER INCOME Amount in ₹

	2016 / 2017	2015 / 2016
<b>Interest Income</b>		
On FD's with Bank	1345746	1156418
On Deposit	71706	76488
Others	435072	23082
	<b>1852524</b>	1255988
Net Gain on Foreign Currency Transactions and Translation	158484	85643
Other Income	418600	-
<b>Total</b>	<b>2429608</b>	1341631

20 COST OF MATERIALS CONSUMED Amount In ₹

	2016 / 2017	2015 / 2016
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	21748371	19179710
Add : Purchase	179164691	175453503
	<b>200913062</b>	194633213
Less : Closing Stock	18562376	21748371
<b>Total</b>	<b>182350686</b>	172884842

## Notes on Financial Statements for the Year ended 31 st March, 2017

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

Amount in ₹

	2016 / 2017	2015 / 2016
<u>Closing Stock:</u>		
Finished Goods	116440	116440
Work - in - Process	24042895	19226685
	24159335	19343125
<u>Less : Opening Stock:</u>		
Finished Goods	116440	232880
Work - in - Process	19226685	23039761
	19343125	23272641
Add / (Less) :		
Differential Excise Duty on Opening and Closing Stock on Finished Goods	-	14200
<b>Total</b>	<b>4816210</b>	<b>(3915316)</b>

## 22 EMPLOYEE BENEFIT EXPENSE

Amount in ₹

	2016 / 2017	2015 / 2016
Salaries and Wages	18449774	16091491
Contribution to Provident and Other Fund	1686494	1595499
Staff Welfare Expense	953338	1088192
<b>Total</b>	<b>21089606</b>	<b>18775182</b>

## 23 FINANCE COST

Amount In ₹

	2016 / 2017	2015 / 2016
Interest Expense	6747062	5983608
Other Financial Charges	719587	1143622
<b>Total</b>	<b>7466649</b>	<b>7127230</b>



## Notes on Financial Statements for the Year ended 31st March, 2017

## 24 OTHER EXPENSE

Amount in ₹

	2016 / 2017	2015 / 2016
Stores, Spare-parts & Packing Material Consumed	18669343	19918674
Labour Charges	15099673	16342870
Power and Fuel	13569910	13283025
Rent, Rates & Taxes	389930	434965
Repairs to :		
Building	427862	376526
Machinery	1513849	1314862
Others	263362	268486
	<b>2205073</b>	<b>1959874</b>
Audit Fees	119750	91525
Commission	236316	152248
Legal & Professional Charges	529472	427500
Travelling Expenses	1236021	1353821
Stationery & Printing Exp.	433286	383647
Vehicle Expenses	1310009	1119151
General Charges	4618178	5613636
Transport and Handling Charges	1397403	2727468
Loss on Sale of Assets	-	491567
<b>Total</b>	<b>59814364</b>	<b>64299971</b>

## 25 Details of guarantees Given :

Particulars	2016 / 2017	2015 / 2016
Bank guarantees given (in ₹)	7581522	7457989

## 26 Capital Commitments : ₹ Nil

**Notes on Financial Statements for the Year ended 31 st March, 2017****27 Details of Foreign Currency Exposures**

Hedged by Derivative Instruments (Forward Contract)

	2016 / 2017	2015 / 2016
	In US \$	In US \$
Hedging of Buyers Credit Loan	-	116322

[Not hedged by a Derivative Instruments or otherwise]

	2016 / 2017		2015 / 2016	
	In US \$	In ₹.	In US \$	In ₹.
Foreign Currency Loan Payable	-	-	109432	7258627
Advance From Customers	4371	283393	-	-

**28 Employee Benefits**

Particulars	2016 / 2017	2015 / 2016
Contribution to Provident & Pension Fund (in ₹)	1472553	1439097
Contribution towards LIC Group Gratuity Scheme (in ₹)	61900	31951

**29 Earning Per Share :**

	Year ended 31/03/2017	Year ended 31/03/2016
Net Profit for the year after tax (in ₹)	7606161	7279995
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)	3.38	3.24

**30 Auditor's Remuneration :**

Amount In ₹.

	2016 / 2017	2015 / 2016
Audit Fees (Inclusive of Service Tax)	74750	74425
Income Tax Matter (Inclusive of Service Tax)	51750	17100

## Notes on Financial Statements for the Year ended 31 st March, 2017

31 No provision for amortization 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.

## 32 Related Party Disclosures under Accounting Standard (AS) -18:

(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

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

Sr. No.	Nature of Transactions	Key Management Personnel and their relatives	Total
1	Unsecured Loans		
	Balance as at 01/04/2016	10000000	10000000
		(10000000)	(10000000)
	Received during the year	-	-
		(-)	(-)
	Repaid during the year	-	-
		(-)	(-)
	Balance as at 31/03/2017	10000000	10000000
		(10000000)	(10000000)
2	Interest Paid	1000000	1000000
		(1000000)	(1000000)
3	Director remuneration	7200000	7200000
		(7200000)	(7200000)

**Note :** Figures in bracket represent the previous year's figure.

## Notes on Financial Statements for the Year ended 31 st March, 2017

## 33 Contingent Liabilities :

Particulars	2016 / 2017	2015 / 2016
Contingent Liabilities not provided for in financial statements	₹ Nil	₹ Nil

## 34 Break up of Raw Materials Consumed :

Class of Materials	Value ₹	Value ₹
Iron & Steel	27395524	28896251
Electric Motors	10545636	10323618
Seamless Tubes	131146761	120432565
Others	13262765	13232408
<b>Total</b>	<b>182350686</b>	<b>172884842</b>

## 35 Value of imported and indigenous Raw Materials, Stores, Spares and Packing Material Consumed :

	2016 / 2017		2015 / 2016	
	In %	In ₹	In %	In ₹
<b>Raw Materials</b>				
- Imported	35.00	63825416	47.00	81532759
- Indigenous	65.00	118525270	53.00	91352083
<b>Total</b>	<b>100.00</b>	<b>182350686</b>	<b>100.00</b>	<b>172884842</b>
<b>Stores, Spares &amp; Packing Material</b>				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	100.00	18669343	100.00	19918674
<b>Total</b>	<b>100.00</b>	<b>18669343</b>	<b>100.00</b>	<b>19918674</b>

## 36 C.I.F. Value of Imports :

	2016 / 2017	2015 / 2016
1 Raw Material [ In ₹ ]	49940437	64574710

## 37 Expenditure in Foreign Currency :

	2016 / 2017	2015 / 2016
1 Travelling Expense [ In ₹ ]	368556	105404
2 Sales Promotion Expense [ In ₹ ]	277428	332540
3 Interest on Buyers Credit [ In ₹ ]	79798	182737

## 38 Earning in Foreign Exchange :

	2016 / 2017	2015 / 2016
1 F.O.B. Value of Exports [In ₹]	3008810	16056214

**39 Disclosure of Specified Bank Note**

The details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016 required to be disclosed as per amended Schedule III of Companies Act, 2013 vide Notification G.S.R. 308(E) dated 30th March, 2017 of Ministry of Corporate Affairs is provided in the table below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	310000	30432	340432
Add: Permitted Receipts	-	914000	914000
Less: Permitted Payments	-	384773	384773
Less: Amount Deposited in Banks	310000	-	310000
<b>Closing Cash in hand as on 30/12/2016</b>	<b>-</b>	<b>559659</b>	<b>559659</b>

Explanation: For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated the 8<sup>th</sup> November, 2016.

- 40** 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.
- 41** Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with those of current year.

**Signatures to Note "1" to "41"**

As per our report of even date attached.

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

**For, PATELS AIRFLOW LTD.**

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

**POPATBHAI B. PATEL**  
CHAIRMAN  
DIN : 00145058

**BHOGILAL I. PATEL**  
MANAGING DIRECTOR  
DIN : 00144617

**KASHIRAM K. PATEL**  
DIRECTOR  
DIN : 00145192

Place : Ahmedabad  
Date : 22/08/2017

Place : Ahmedabad  
Date : 22/08/2017

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**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 THURSDAY 28<sup>TH</sup> SEPTEMBER, 2017 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.

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**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 Thursday, 28th September, 2017 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, 2017, 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 POPATBHAI B. PATEL (DIN 00145058) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of SHRI HIMANSHU P. PATEL (DIN 00145270) 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 \_\_\_\_\_ 2017

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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*If undelivered please return to :*



***PATELS AIRFLOW LIMITED.***

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