

18th
ANNUAL REPORT
2018 / 2019



PATELS AIRFLOW LIMITED.

Registered Office :

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

Phone No : 079 – 40200800 • E-mail : paflacct@gmail.com

CIN NO.: U31909GJ2001PLC039998

PATELS AIRFLOW LIMITED.

(CIN: U31909GJ2001PLC039998)

18th ANNUAL REPORT 2018 / 2019

BOARD OF DIRECTOR	:	Shri Popatlal Bhopabhai Patel	Chairman & Wholetime Director
		Shri Bhogilal Ishwarlal Patel	Managing Director
		Shri Kashiram Khodidas Patel	Wholetime Director
		Shri Himanshu Popatlal Patel	Executive Director
		Shri Devang Kashiram Patel	Executive Director
		Shri Prakash Bhogilal Patel	Executive Director
		Shri Kaival Devang Patel	Additional Director
		Shri Akash Himanshu Patel	Additional Director
REGD. OFFIC	:	61, Phase – I, G I D C Industrial Estate, Vatva, AHMEDABAD – 382 445.	
WORK	:	61, Phase – I, G I D C Industrial Estate, Vatva, AHMEDABAD – 382 445.	
STATUTORY AUDITOR	:	ASHESH ALKESH & CO. Chartered Accountants 302, Onyx, Nr. Rajhans Society, IDBI Cross Road, Off. C.G. Road, Navrangpura, Ahmedabad – 380009.	
BANKER	:	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.	
REGISTRARS	:	M/s. BIGSHARE SERVICES PVT. LTD.,	
SHARE TRANSFER	:	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 18th Annual General Meeting of the members of **PATELS AIRFLOW LIMITED** will be held on Friday, 27th September, 2019, at 11.00 a.m. at the Registered Office of the company situated at Phase I, GIDC Industrial Estate, Vatva, Ahmedabad – 382445, Gujarat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the company for the Financial Year ended on 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year 2018-19.
3. To appoint a Director in place of Shri Bhogilal Ishwarlal Patel (DIN: 00144617), Managing Director, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Kashiram Khodidas Patel (DIN: 00145192), Wholetime Director, 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 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (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, be and are hereby re-appointed as statutory auditors of the company for the period of Five (5) Years to hold office from the conclusion of this 18th Annual General Meeting until the conclusion of 23rd Annual General Meeting of the company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

6. To regularize Shri Kaival Devang Patel (DIN: 05140511), as a Non-executive Director of the company and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Kaival Devang Patel (DIN: 05140511), who was appointed as an Additional Non-executive Director with effect from 21st May, 2019, and holds office upto the date of this Annual General Meeting of the company and in respect of whom a notice in writing has been received by the Company from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the

office of Director, be and is hereby appointed as a Non-executive Director of the Company, without being liable to retire by rotation.”

FURTHER RESOLVED THAT any of the present Directors of the company be and are hereby authorized to do all such acts, deeds, matters and sign all such forms, papers and documents to give effect to the aforesaid resolution and to any matter consequential thereto.

7. To regularize Shri Akash Himanshu Patel (DIN: 08512178), as an Executive Director of the company and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Akash Himanshu Patel (DIN: 08512178), who was appointed as an Additional Executive Director with effect from 18th July, 2019, and holds office upto the date of this Annual General Meeting of the company and in respect of whom a notice in writing has been received by the Company from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Executive Director, be and is hereby appointed as an Executive Director of the Company, whose office will be liable to retire by rotation.”

“FURTHER RESOLVED THAT any of the present Directors of the company be and are hereby authorized to do all such acts, deeds, matters and sign all such forms, papers and documents to give effect to the aforesaid resolution and to any matter consequential thereto.”

8. To fix remuneration payable to Shri Akash Himanshu Patel (DIN: 08512178), Executive Director of the company and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as a Special resolution:

“RESOLVED THAT pursuant to provisions of Sections 197, 198 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and the Articles of Association of the Company, Subject to such approvals as may be necessary, the consent of the member of the Company in general meeting, be and is hereby accorded to pay Remuneration of 6,00,000/- (Rupees Six Lakhs Only) p.a. w.e.f. 18th July, 2019 having such composition and perquisites as may be decided by the Board of Directors of the Company to Shri Akash Himanshu Patel (DIN: 08512178), Executive Director of the company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or modify the terms and conditions of remuneration payable to the said Executive Director in such manner as may be mutually agreed between the Board and Shri Akash Himanshu Patel within the limits as prescribed in Schedule V of the Companies Act, 2013, including any amendment, modification, variation or re – enactment thereof.”

“RESOLVED FURTHER THAT in the event of any loss, absence or in – adequacy of profits of the Company in any financial year, during the term of office of Shri Akash Himanshu Patel as an Executive Director of the Company, the abovesaid remuneration shall be paid to Shri Akash Himanshu Patel as minimum remuneration and the same shall be subject to the limits as set out in Schedule V of the Companies Act, 2013.”

Place : Ahmedabad
Date: 20 August, 2019

By order of Board of Directors
For, PATELS AIRFLOW LIMITED

POPATLAL BHOPALBHAI PATEL
Chairman and Wholetime Director
(DIN : 00145058)

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office not less than 48 hours before the Meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable, issued on behalf of the nominating organization.

2. A person can act as 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. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out facts concerning the business under Item No. 6 to 8 of the Notice is annexed hereto.
5. Brief Profile of Directors seeking re-appointment at the Annual General Meeting pursuant to Secretarial Standards form integral part of the notice. The Directors have furnished the requisite declarations for their appointment/reappointment.
6. **Book Closure :** The Company has notified of closure of register of members and share transfer books from Thursday, 19th September, 2019 to Friday, 27th September, 2019 (both days inclusive) to determine entitlement of the shareholders to receive dividend for the year 2018-19 and for the purpose of annual general meeting.
7. The Board of Directors at its meeting held on 20th August, 2019, has recommended a dividend of Rs. 2.50 per Equity Share of the face value of Rs. 10/- each. The dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on 18th September, 2019. The dividend will be payable on or after 30th September, 2019. Members are requested to update their bank details with their Depository Participants (DP) to receive the amount of dividend quickly.
8. The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS / NECS / electronic transfer, of those shareholders holding shares in electronic form/Demat and having registered relevant bank details. In respect to those shareholders holding shares in physical form or in case of ECS / NECS/ electronic payment

rejected, dividend will be paid by dividend warrants / demand drafts.

9. Members may opt for the direct credit of dividend / ECS wherein members get the credit of dividend directly in their designated bank account. This ensures direct and immediate credit with no chance of loss of bank instrument in transit. To avail this facility, the members are requested to update with their DP, the active bank account details including 9 digit MICR code and IFSC code, in case the holding is in dematerialized form. In case of shares held in physical form, the said details may be communicated to the Company or RTA, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.
10. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
11. Members who hold shares in de-materialization form are requested to bring their depository account number for identification.
12. In case of joint holders attending the Meeting only such joint holder who is higher in the order of names will be entitled to vote.
13. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of meeting.
14. If members want to change/correct bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish their MICR code of their bank to their Depository Participant. The Company or its Registrar will not entertain any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agents, M/s Bigshare Services Pvt. Ltd.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form-SH 13 prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Ministry of Company Affairs.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Bigshare Services Pvt. Ltd, for consolidation into a single folio.
17. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

18. Non-Resident Indian Members are requested to inform Bigshare Services Pvt. Ltd, immediately of :
- a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
19. Pursuant to Sections 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government. The Company during the year has transferred a sum of ₹ 89,354/- being unclaimed dividend amount for the financial year 2010-11 to the Investor Education and Protection Fund of the Central Government. The shareholders who have not claimed their dividend for the financial year 2011-12 are requested to claim their dividend on or before 29th November, 2019, failing which it would be transferred to IEPF after 30th November, 2019 and no claim shall lay against the Company for the said amount of unclaimed dividend so transferred. The details of unclaimed dividends are available on the Company's website at www.patelsairflow.com. Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to Demat Account of IEPF. The Company timely sent individual intimation to all such shareholders. All such Shareholders are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to Demat Account of IEPF and no claim shall lay against the Company. The Shareholders thereafter need to claim their shares from IEPF Authority by filing E-Form-5 and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).
20. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare Services Pvt. Ltd.
21. To support the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs by allowing paperless compliance and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders, notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address have been registered with the Company. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:
- In respect of electronic shareholding - through their respective Depository Participants;
 - In respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.
22. The route map showing directions to reach the venue of the 18th AGM is annexed.

23. The Annual Report 2018-19 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.patelaifolw.com

PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS :

- (i) pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system through remote e-voting services provided by Central Depository Services Limited (CDSL) from a place other than the venue of the Meeting.
- (ii) The Members whose names appear in the Register of Members / List of Beneficial Owners as on 18th September, 2019 (cut - off date) are entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- (iii) A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 18th September, 2019, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
- (iv) The remote e-voting will commence on Tuesday, 24th September, 2019 at 10.00 a.m. and ends on Thursday, 26th September, 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September, 2019, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter. The e-voting module shall be disabled by CDSL for voting thereafter.
- (v) Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- (vi) The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. 18th September, 2019.

- (vii) The Company has appointed Mr. Dip G. Patel, Proprietor of DG Patel & Associates, Practising Company Secretary (Membership No. ACS: 36900; CP No: 13774), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.

(viii) The instructions for shareholders voting electronically are as under:

Step 1: The voting period begins on Tuesday, 24th September, 2019 at 10.00 a.m. and ends on Thursday, 26th September, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Step 2: The shareholders should log on to the e-voting website www.evotingindia.com.

Step 3: Click on Shareholders/Members. Select the Electronic Voting Sequence Number (EVSN) "COMPANY NAME" i.e. "PATELS AIRFLOW LIMITED" from the drop down menu and click on "SUBMIT".

Step 4: Now Enter your User ID

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

Step 5: Next enter the Image Verification as displayed and Click on Login.

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

Step 9 : Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Step 10 : For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 11 : Click on the EVSN for the relevant company PATELS AIRFLOW LIMITED on which you choose to vote.

Step 12 : On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Step 13 : Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

Step 14 : 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 15 : Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 16 : You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

Step 17 : If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Step 18 : Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

NOTE FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

INFORMATION REQUIRED PURSUANT TO SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2), IN RESPECT OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 18TH ANNUAL GENERAL MEETING

A. Directors retiring by rotation and eligible for reappointment :

1. Shri Bhogilal Ishwarlal Patel (DIN: 00144617), Managing Director

Age	74 Years
Date of first appointment on the Board	17/09/2001
Expertise	Shri Bhogilal Ishwarlal Patel is Promoter of the company. He possesses vast and varied experience and under his able management, the company has made satisfactory progress. The financial position of the company has considerably improved.
No. of Shares held in the Company as on 31/03/2019	317890
Relationship with other Directors and Key Managerial Personnel	Father of Shri Prakash Bhogilal Patel (DIN: 00176928), Executive Director of company
Other Directorships	NIL
Chairmanship / Membership of Committees of other companies	NIL

2. Shri Kashiram Khodidas Patel (DIN: 00145192), Wholetime Director

Age	80 Years
Date of first appointment on the Board	17/09/2001
Expertise	Shri Kashiram Khodidas Patel is Promoter and Executive Director of the company. He put hard efforts for the development of this Unit. He possesses vast and varied experience and under his able management, the company has made satisfactory progress
No. of Shares held in the Company as on 31/03/2019	135500
Relationship with other Directors and Key Managerial Personnel	Father of Shri Devang Kashiram Patel (DIN: 00146420), Executive Director of company. Grandfather of Shri Kaival Devang Patel (DIN: 05140511), Additional Director of the company.
Other Directorships	NIL
Chairmanship / Membership of Committees of other companies	NIL

B. Directors seeking appointment :

1. Shri Kaival Devang Patel (DIN: 05140511)

Age	27 Years
Date of first appointment on the Board	21/05/2019
Expertise	Shri Kaival Devang Patel is having expertise in Management, Finance and Strategic business planning.
No. of Shares held in the Company as on 31/03/2019	NIL
Relationship with other Directors and Key Managerial Personnel	Son of Shri Devang Kashiram Patel (DIN: 00146420), Executive Director of the company. Grandson of Shri Kashiram Khodidas Patel (DIN: 00145192), Wholetime Director of company.
Other Directorships	1. Vasudhaiva Procon Private Limited - Director 2. Farmson Envirocare Private Limited - Director
Chairmanship / Membership of Committees of other companies	NIL

2. Shri Akash Himanshu Patel (DIN: 08512178)

Age	23 Years
Date of first appointment on the Board	18/07/2019
Expertise	Shri Akash Himanshu Patel holds a degree of Master of Science. He is having expertise in Management, Leadership and Strategic business planning.
No. of Shares held in the Company as on 31/03/2019	NIL
Relationship with other Directors and Key Managerial Personnel	Son of Shri Himanshu Popatlal Patel (DIN: 00145270), Executive Director of the company. Grandson of Shri Popatlal Bhopabhai Patel (DIN: 00145058), Wholtime Director of company.
Other Directorships	NIL
Chairmanship / Membership of Committees of other companies	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 6 :**

Shri Kaival Devang Patel (DIN: 05140511) was appointed as an Additional Non-executive Director w.e.f. 21st May, 2019 by the Board of Directors under Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Shri Kaival Devang Patel holds office up to the date of the ensuing Annual General Meeting. The Board feels that his presence on the Board would be beneficial to the company. The company has received from Shri Kaival Devang Patel requisite consent and intimation in connection with his appointment as a Non-executive Director of the company.

The Resolution set out under Item No. 6 of the Notice seeks approval of the members to regularize Shri Kaival Devang Patel as a Non-executive Director of the company.

The Board commends the Resolutions under Item No. 6 for approval by members.

None of the Directors, Key Managerial Personnel and/or their respective relatives are in any way concerned or interested in the above resolution, except to the extent of their respective shareholding in the company, if any.

Item No. 7 :

Shri Akash Himanshu Patel (DIN: 08512178), was appointed as an Additional Executive Director w.e.f. 18th July, 2019 by the Board of Directors under Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Shri Akash Himanshu Patel holds office up to the

date of the ensuing Annual General Meeting. The Board feels that his presence on the Board would be beneficial to the company. The company has received from Shri Akash Himanshu Patel requisite consent and intimation in connection with his appointment as an Executive Director of the company.

The Resolution set out under Item No. 7 of the Notice seeks approval of the members to regularize Shri Akash Himanshu Patel as an Executive Director of the company.

The Board commends the Resolutions under Item No. 7 for approval by members.

None of the Directors, Key Managerial Personnel and/or their respective relatives are in any way concerned or interested in the above resolution, except to the extent of their respective shareholding in the company, if any.

Item No. 8 :

Shri Akash Himanshu Patel (DIN: 08512178), was appointed as an Additional Executive Director w.e.f. 18th July, 2019 by the Board of Directors under Section 161 of the Companies Act, 2013. It is also proposed to regularize him as Director under Item no. 6 above.

The present proposal is to seek the Shareholders' approval for the payment of Remuneration of Rs. 6,00,000/- (Rupees Six Lakhs Only) p.a. w.e.f. 18th July, 2019 having such composition and perquisites as may be decided by the Board of Directors of the Company to Shri Akash Himanshu Patel (DIN: 08512178), Executive Director of the company.

Shri Akash Himanshu Patel holds a degree of Master of Science. He is having expertise in Management, Leadership and Strategic business planning.

Looking to his expertise & experience in the field, the Board of Directors of the Company (the 'Board'), had at its meeting held on 20th August, 2019, subject to the approval of the Shareholders, approved the payment of Remuneration of Rs. 6,00,000/- (Rupees Six Lakhs Only) p.a. w.e.f. 18th July, 2019 having such composition and perquisites as may be decided by the Board of Directors of the Company to Shri Akash Himanshu Patel (DIN: 08512178), Executive Director of the company.

The Board commends the Special Resolution under Item No. 8 for approval by members.

None of the Directors, Key Managerial Personnel and/or their respective relatives are in any way concerned or interested in the above resolution, except to the extent of their respective shareholding in the company, if any.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report along with the Audited financial statements of the company for the Financial Year ended on 31st March, 2019.

1. FINANCIAL RESULTS :

Particulars	Year 2018-19 ₹	Year 2017-18 ₹
Revenue from Operations	52,47,14,912	34,79,50,975
Other Income	45,17,905	24,91,354
Total Revenue	52,92,32,817	35,04,42,329
Less: Total Expenditure	48,74,89,033	31,99,47,745
Profit/(Loss) Before Depreciation & Tax	4,17,43,784	3,04,94,584
Less: Depreciation & Amortization Cost	98,36,983	86,32,436
Less: Extraordinary items	0	0
Profit/(Loss) Before Tax Less: Tax Expenses	3,19,06,801	2,18,62,148
1)Current Tax	88,01,100	60,09,500
2)Deferred Tax	2,93,383	(7,58,008)
Profit/(Loss) After Tax	2,28,12,318	1,66,10,656
EPS (Basic)	10.14	7.38
EPS (Diluted)	10.14	7.38

2. STATE OF COMPANY'S AFFAIRS :

- The Company is engaged in manufacturing of complete range of industrial fans and blowers.
- During the year under review, revenue from operations increased to ₹ 52,47,14,912/- as compared to ₹ 34,79,50,975/- in the previous year.
- Profit after tax for the year also increased to ₹ 2,28,12,318/- as compared to a profit of ₹ 1,66,10,656/- during the previous year. Your directors shall strive harder to achieve better result in future.

3. DIVIDEND :

Your Directors are pleased to inform you that subject to your approval, they have decided recommend payment of dividend @25% (₹ 2.50/-) per share, on the equity shares of the company.

The Board of Directors has recommended a dividend of ₹ 2.50 per Equity Share (25% on the face value of ₹ 10/- each) on the paid up share capital of the Company for financial year ended on

31st March, 2019 amounting to ₹56,25,200/-, which if declared, at the ensuing Annual General meeting scheduled on 27th September, 2019, will be paid to those shareholders whose names appear in the Register of members as at closing hours of business on 18th September, 2019 ('Record date'). In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories viz. NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from Thursday, 19th September, 2019 to Friday, 27th September, 2019 (both days inclusive).

4. RESERVES :

Pursuant to provisions of Section 134 of the Companies Act, 2013, the company has proposed to transfer ₹ 10,00,000/- to general reserves account of the company.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY :

No significant changes in the business of the company occurred during the year under review.

6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY :

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

7. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS :

The Board of Directors of the Company has laid down adequate internal financial controls which are operating effectively. During the year, policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records and the timely preparations of reliable financial information.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE :

No significant and material orders passed by any regulators and/or courts and tribunals which may have the impact on the going concern status and company's operations in future.

9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES :

As on 31st March 2019, the Company had no Subsidiaries/Joint Ventures/Associate Companies or any companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year under review.

10. DEPOSITS :

Pursuant to Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, the Company has not accepted or renewed any public deposits during the

year.

11. AUDITORS :

M/s. Ashesh Alkesh & Co., Chartered Accountants (Firm Registration No: 11950w), are recommended for their appointment as the Statutory Auditors of the company for the period of five years from the conclusion of this 18th Annual General Meeting till the conclusion of 23rd Annual General Meeting of the company. As required under the provisions of Section 139 of the Companies Act, 2013, company has obtained confirmation from M/s. Ashesh Alkesh & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

12. AUDITORS REPORT :

Audit report to the Shareholders does not contain any qualification, reservation or adverse remarks. The observations made by the Statutory Auditors in their report for the financial period ended 31st March, 2019 read with the explanatory notes therein are self explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud.

13. MAINTENANCE OF COST RECORDS :

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL & MANAGERIAL REMUNERATION :

In terms of section 152 of the Companies Act, 2013, Shri Bhogilal Ishwarlal Patel (DIN: 00144617), Managing Director and Shri Kashiram Khodidas Patel (DIN: 00145192), Wholetime Director of the company, shall retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Particulars of Director being re-appointed along with the nature of his expertise, his shareholding in the Company and other details pursuant to Secretarial Standards is appended as an annexure to the Notice of the ensuing Annual General Meeting.

There is no change in Key Managerial Personnel during the year under review. As on the 31st March, 2019, the following persons are the Key Managerial Personnel(s) of the Company:

Shri Popatlal Bhopabhai Patel - Chairman & Wholetime Director

Shri Bhogilal Ishwarlal Patel - Managing Director

Shri Kashiram Khodidas Patel - Wholetime Director

Details of remuneration paid to Directors and Key Managerial Personnel are as under:

Name & Designation of Director/Key Managerial Personnel	Remuneration ₹
Shri Bhogilal Ishwarlal Patel - Managing Director	24,00,000/-
Shri Popatlal Bhopabhai Patel - Chairman & Wholetime Director	24,00,000/-
Shri Kashiram Khodidas Patel - Wholetime Director	24,00,000/-
Shri Himanshu Popatlal Patel – Executive Director	24,00,000/-
Shri Devang Kashiram Patel – Executive Director	12,00,000/-
Shri Prakash Bhogilal – Patel – Executive Director	24,00,000/-

15. DECLARATION BY INDEPENDENT DIRECTOR :

Your company was not required to appoint independent Directors pursuant to Section 149 of the Companies Act, 2013 and Rules made thereunder during the year under review. Therefore requirement for obtaining Declaration by the Independent Directors pursuant to section 149 (6) Companies Act, 2013 is not applicable to the company.

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS :

During the year Thirteen Board Meetings were convened and held as on 05/04/2018, 15/06/2018, 10/07/2018, 20/08/2018, 24/08/2018, 25/08/2018, 03/11/2018, 12/12/2018, 01/01/2019, 19/01/2019, 01/02/2019, 25/02/2019 and 07/03/2019. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

17. EXTRACT OF THE ANNUAL RETURN :

The extracts of Annual Return in form MGT 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure - 1" and is attached to this Report.

18. SHARE CAPITAL :

There were no changes in the share capital structure of the Company during the financial year under review.

19. TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO IEPF :

Pursuant to the provisions of Section 125 of Companies Act, 2013 the Unclaimed Dividend 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.

20. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO :

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the "Annexure-2" to this report.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 :

Particulars of loans given, investments made, guarantees given and securities provided in the notes to the standalone financial statements forming part of this annual report.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 :

During the period under review, the company had not entered into any material transaction with related parties. Attention of members is drawn to the disclosure of transactions with related parties set out in Note no. 31 of the financial statements forming part of this report.

23. PARTICULARS OF EMPLOYEES :

During the year under review, none of the employees of the Company was in receipt of remuneration exceeding Rs. 10,200,000/- p.a., if employed throughout the year or Rs. 850,000/- p.m. if employed for part of the year. Further, the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company.

24. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. RISK MANAGEMENT POLICY :

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company.

26. CORPORATE SOCIAL RESPONSIBILITY :

The provision of Corporate Social Responsibility is not applicable to the company for the financial year under review.

27. AUDIT COMMITTEE :

The company is not required to constitute Audit Committee pursuant to section 177 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014.

28. VIGIL MECHANISM :

The company is not required to establish Vigil Mechanism pursuant to section 177 of the Companies Act, 2013 read with rule (7) of the Companies (Meetings of Board and its Powers) Rules, 2014.

29. NOMINATION AND REMUNERATION COMMITTEE :

The company is not required to constitute Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014.

30. STAKEHOLDERS RELATIONSHIP COMMITTEE :

Our Company has constituted a Stakeholders Relationship Committee to redress complaints of the shareholders. The Stakeholder's Relationship Committee comprises the following Directors:

Name	Designation in Committee	Nature of Directorship
Shri Kaival Devang Patel	Chairman	Non-executive Director
Shri Prakash Bhogilal Patel	Member	Executive Director
Shri Devang Kashiram Patel	Member	Executive Director
Shri Himanshu Popatlal Patel	Member	Executive Director

31. BOARD EVALUATION :

The provisions relating to Board Evaluation is not applicable to the company. Therefore Statement indicating manner in which formal evaluation of Board, Committee, Individual Director has been done by the Board pursuant to section 134 (3) (p) of the Companies Act, 2013 read with rule 8 (4) of the Companies (Accounts) Rules, 2014 is not required to attach with the Board Report.

32. SECRETARIAL AUDIT REPORT :

Section 204 of the companies Act, 2013 relating to Secretarial Audit is not applicable to the company.

33. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to provisions of sub-section (5) of Section 134 of the Companies Act, 2013, your Directors confirm that-

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

34. ACKNOWLEDGEMENT :

The Directors extend their sincere thanks to the Bankers, Customers, Employees, members and all others associated with the company for their kind co-operation, continued support, assistance, trust and confidence reposed by them in the company.

Place : Ahmedabad

Date: 20th August 2019

**By order of Board of Directors
For, PATELS AIRFLOW LIMITED**

**POPATBHAI B. PATEL
Chairman / Wholetime Director
(DIN: 00145058)**

**BHOGILAL I. PATEL
Managing Director
(DIN: 00144617)**

FORM NO. MGT - 9

Annexure – 1

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31st March, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management and 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	Public Limited Company/Company Limited By Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	61 Phase I, GIDC Industrial Estate, Vatva, Ahmedabad – 382445, Gujarat Phone: 079 – 40200800 Email: paflacct@rediffmail.com
6.	Whether listed company : Yes / No	NO
7.	Name, Address & contact details of Registrar & Transfer Agent, if any.	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, Mo. 9971542155

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)

Sr. 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	2819	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Description of The Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
NIL					

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

1) Category -wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1915483	13950	1929433	85.75%	1915483	12400	1927883	85.68	(0.07)
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
Sub Total A (1)	1915483	13950	1929433	85.75%	1915483	12400	1927883	85.68	(0.07)
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	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
Sub Total A (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter A = A(1) + A(2)	1915483	13950	1929433	85.75%	1915483	12400	1927883	85.68	(0.07)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0

e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	6600	1050	7650	0.34	12450	1050	13500	0.60	+0.26
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	161591	131869	293460	13.04	159091	129319	288410	12.82	(0.23)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17637	0	17637	0.78	17637	0	17637	0.78	0
c) Others	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	50	0	50	0	0
HUF	1900	0	1900	0.08	2600	0	2600	0.12	+0.04
Sub Total (B)(2):	187728	132919	320647	14.24	191828	130369	322197	14.32	+1.69
Total Public Shareholding (B)=(B)(1)+(B)(2)	187728	132919	320647	14.24	191828	130369	322197	14.32	+1.69
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2066877	146869	2250080	100	2107311	142769	2250080	100	0

2) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	HARSHADKUMAR PATEL	1250	0.06	0	1250	0.06	0	0
2	JADIBEN ISHVARBHAI PATEL	1250	0.06	0	1250	0.06	0	0
3	BHOGILAL ISHWARLAL PATEL	100	0.00	0	100	0.00	0	0
4	ALPA GIRISH PATEL	1250	0.06	0	-	-	0	(0.06)
5	CHIRAG LALLUBHAI PATEL	475	0.02	0	475	0.02	0	0
6	DIVYA PATEL	25	0.00	0	25	0.00	0	0
7	HARSHAD PATEL	50	0.00	0	50	0.00	0	0
8	JAGRUTIBEN PATEL	50	0.00	0	50	0.00	0	0
9	ROSHNI LALLUBHAI PATEL	50	0.00	0	50	0.00	0	0
10	SHANTABEN LALLUBHAI PATEL	175	0.01	0	175	0.01	0	0
11	JADIBEN ISHVARBHAI PATEL	300	0.01	0	-	-	0	(0.01)
12	JAGRUTI HARSHADKUMAR PATEL	1200	0.05	0	1200	0.05	0	0
13	BHOGILAL ISHWARLAL PATEL HUF	4000	0.18	0	4000	0.18	0	0
14	PRAKASH BHOGILAL PATEL HUF	3725	0.17	0	3725	0.17	0	0
15	RITA PRAKASH PATEL	50	0.00	0	50	0.00	0	0
16	NAVIN TULSIDAS PATEL	-	-	0	50	-	0	0
17	TRUPTI H PATEL	128200	5.70	0	128200	5.70	0	0
18	POPATLAL B PATEL	112011	4.98	0	112011	4.98	0	0
19	MADHUBEN P PATEL	118115	5.25	0	118115	5.25	0	0
20	HIMANSHU P PATEL	123325	5.48	0	123325	5.48	0	0
21	KASHIRAM KHODIDAS PATEL	135500	6.02	0	135500	6.02	0	0
22	GITABEN DEVANG PATEL	244150	10.85	0	244150	10.85	0	0

23	DEVANG KASHIRAM PATEL	2500	0.11	0	2500	0.11	0	0
24	SHANTABEN KASHIRAM PATEL	223825	9.95	0	223825	9.95	0	0
25	BHANUBHAI ISHVERBHAI PATEL	50	0.00	0	50	0.00	0	0
26	POPATLAL BHOPABHAI PATEL	91750	4.08	0	91750	4.08	0	0
27	HIMANSHU POPATLAL PATEL	66500	2.96	0	66500	2.96	0	0
28	PATEL MAHESHBHAI ISHVARBHAI	462	0.02	0	462	0.02	0	0
29	PATEL KOKILABEN MAHESHBHAI	1924	0.09	0	1924	0.09	0	0
30	KALPESH NARAYANDAS PATEL	50	0.00	0	-	0.00	0	0
31	JIGNESH BHOGILAL PATEL	9325	0.41	0	9325	0.41	0	0
32	GEETA BHOGILAL PATEL	11270	0.50	0	11270	0.50	0	0
33	PRAKASH BHOGILAL PATEL	216575	9.63	0	216575	9.63	0	0
34	ROSHNI J PATEL	5750	0.26	0	5750	0.26	0	0
35	RITA PRAKASH PATEL	106411	4.73	0	106411	4.73	0	0
36	BHOGILAL ISHWARLAL PATEL	317790	14.12	0	317790	14.12	0	0
TOTAL		1929433	85.75	0	1927833	85.68	0	(0.07)

3) Change in Promoters' Shareholding (please specify, if there is 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
1	Alpa Girish Patel				
	At the beginning of the year	1250	0.06	1250	0.06
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: Sale				
		(1250)	(0.06)	0	0.00
	At the end of the year	0	0.00	0	0.00

2	Jadiben Ishvarbhai Patel				
	At the beginning of the year	300	0.01	300	0.01
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: Sale	(300)	(0.01)	0	0.00
	At the end of the year	0	0.00	0	0.00
3	Navin Tulsidas Patel				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase/Decrease in Promoters' Share holding during the year specifying the reasons for increase/decrease: Purchase	50	0.00	50	0.00
	At the end of the year	50	0.00	50	0.00

4) 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
1	HARSHA HITESH JAVERI				
	At the beginning of the year	17637	0.78	17637	0.78
	Date wise Increase / Decrease in Shareholding during the Year	-	-	17637	0.78
	At the end of the year	17637	0.78	17637	0.78
2	KAUSHIK RAMANLAL SHAH				
	At the beginning of the year	8825	0.39	8825	0.39
	Date wise Increase / Decrease in Shareholding during the Year	-	-	8825	0.39
	At the end of the year	8825	0.39	8825	0.39
3	PINAKIN CHIMANLAL SHAH				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the Year	6925	0.31	6925	0.31
	At the end of the year	6925	0.31	6925	0.31

4	INDRAVADAN APABHAI DESAI				
	At the beginning of the year	5075	0.23	5075	0.23
	Date wise Increase / Decrease in Shareholding during the Year	-	-	5075	0.23
	At the end of the year	5075	0.23	5075	0.23
5	JATIN MAGANBHAI PATEL				
	At the beginning of the year	5000	0.22	5000	0.22
	Date wise Increase / Decrease in Shareholding during the Year	-	-	5000	0.22
	At the end of the year	5000	0.22	5000	0.22
6	PLUTUS CAPITAL MANAGEMENT LLP				
	At the beginning of the year	4000	0.18	4000	0.18
	Date wise Increase / Decrease in Shareholding during the Year	-	-	4000	0.18
	At the end of the year	4000	0.18	4000	0.18
7	SURAJ ENTERPRISE PVT LTD				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the Year	3850	0.17	3850	0.17
	At the end of the year	3850	0.17	3850	0.17
8	MANILAL G PATEL				
	At the beginning of the year	2975	0.13	2975	0.13
	Date wise Increase / Decrease in Shareholding during the Year	-	-	2975	0.13
	At the end of the year	2975	0.13	2975	0.13
9	BABUBHAI G PATEL				
	At the beginning of the year	2750	0.12	2750	0.12
	Date wise Increase / Decrease in Shareholding during the Year	-	-	2750	0.12
	At the end of the year	2750	0.12	2750	0.12
10	ASHOK MEHTA				
	At the beginning of the year	2750	0.12	2750	0.12
	Date wise Increase / Decrease in Shareholding during the Year	-	-	2750	0.12
	At the end of the year	2750	0.12	2750	0.12

5) 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
1	BHOGILAL ISHWARLAL PATEL				
	At the beginning of the year	317790	14.12	317790	14.12
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	317790	14.12
	At the end of the year	317790	14.12	317790	14.12
2	POPATLAL BHOPABHAI PATEL				
	At the beginning of the year	112011	4.98	112011	4.98
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	112011	4.98
	At the end of the year	112011	4.98	112011	4.98
3	KASHIRAM KHODIDAS PATEL				
	At the beginning of the year	135500	6.02	135500	6.02
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	135500	6.02
	At the end of the year	135500	6.02	135500	6.02
4	HIMANSHU POPATLAL PATEL				
	At the beginning of the year	123325	5.48	123325	5.48
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	66500	2.96
	At the end of the year	123325	5.48	123325	5.48
5	DEVANG KASHIRAM PATEL				
	At the beginning of the year	2500	0.11	2500	0.11
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	2500	0.11
	At the end of the year	2500	0.11	2500	0.11

6	PRAKASH BHOGILAL PATEL				
	At the beginning of the year	216575	9.63	216575	9.63
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	-	-	216575	9.63
	At the end of the year	216575	9.63	216575	9.63

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43385873/-	10000000/-	0	53385873/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	43385873/-	10000000/-	0	53385873/-
Change in Indebtedness during the financial year				
* Addition	23145646/-	0	0	23145646/-
* Reduction	0	0	0	0
Net Change	23145646/-	0	0	23145646/-
Indebtedness at the end of the financial year				
i) Principal Amount	66531519/-	10000000/-	1070731/-	76531519/-
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	66531519/-	10000000/-	1070731/-	76531519/-

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

No.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		Bhogibhai I. Patel	Popatbhai B. Patel	Kashiram K. Patel	Himanshu P. Patel
1	Gross salary	2400000	2400000	2400000	2400000
	(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 (A)	2400000	2400000	2400000	2400000
	Ceiling as per the Act	-	-	-	-

No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Devang K. Patel	Prakash B. Patel	
1	Gross salary	1200000	2400000	13200000
	(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 (A)	1200000	2400000	13200000
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors : NA

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 : NA

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 : NA

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

Place : Ahmedabad

Date: 20th August 2019

**By order of Board of Directors
For, PATELS AIRFLOW LIMITED**

**POPATBHAI B. PATEL
Chairman / Wholetime Director
(DIN: 00145058)**

**BHOGILAL I. PATEL
Managing Director
(DIN: 00144617)**

Annexure – 2

**PARTICULARS REGARDING CONSERVATION OF ENERGY,
TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

(A) Conservation of energy :

- (i) The steps taken or impact on conservation of energy:

The Company is engaged in the Manufacturing of complete range of industrial fans and blowers. The company has taken various measures to minimize consumption of energy, to optimize productivity and also to conserve energy and making best use of the resources. A considerable amount of time and effort was earmarked for conserving power. Details of the energy consumption for the F.Y. 2018-19 are as under :

POWER AND FUEL CONSUMPTION		
1. Electricity	Current Year	Previous Year
Purchased		
Unit	13,61,951	10,37,369
Total Amount ₹	1,13,58,963	81,59,607
Rate per Unit ₹	8.34	7.87
2. OTHERS / INTERNAL GENERATION		
(P.N.G)		
Quantity - scm	3,33,848	2,43,269
Total Cost ₹	1,31,56,402	80,48,907
Average Rate ₹	39.41	33.09

- (ii) The steps taken by the company for utilizing alternate sources of energy :

As mentioned above, company is also using the alternate sources of energy i.e. PNG. Details of alternate sources of energy used by the company are mentioned above.

- (iii) The capital investment on energy conservation equipments – NIL

(B) Technology absorption :

- (i) The efforts made towards technology absorption -

The company has adopted the latest technology with sophisticated instruments related to the products being manufactured.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution - Improved product quality.
- (iii) Imported technology (imported during the last three years reckoned from the beginning of the financial year)- NIL
- (iv) The expenditure incurred on research & development: NIL

(C) Foreign exchange earnings and Outgo :

Foreign Exchange Expenses : C.I.F. Value of Imports of Raw Material: ₹ 19,47,86,864/-

Travelling Expense: ₹ 2,30,405/-

Foreign Exchange Income : F.O.B. Value of Exports: ₹ 2,19,41,914/-

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
PATELS AIRFLOW LIMITED
Ahmedabad.

Report on the Financial Statements:**Opinion**

We have audited the standalone financial statements of PATELS AIRFLOW LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, subject to **Note No. 32 regarding non-provision of amortization of lease hold land [amount not quantifiable]** the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, and its Profit and its Cash Flow for the year ended on that date.

Basis for Opinion

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

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures thereto but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report the matter to those charged with the governance.

However, we have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act. 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.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal

financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. 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"), we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and 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 standalone financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representation received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 B.
- (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 :
 - (ii) The Company does not have any pending litigations which would impact its financial position.
 - (iii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iv) 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 on March 31, 2019.

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

**Place: Ahmedabad
Date: 20/08/2019**

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(c) The Title deed of the immovable property, as disclosed in Note 10 on fixed assets to the financial statements, is held in the name of the company.
2. In our opinion, the management has carried out physical verification of inventory at reasonable intervals and as explained to us, no material discrepancies have been noticed on such physical verification as compares to book records.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly the provisions of clause 3(iii) (iia), (iib) & (iic) of the Order are not applicable to company.
4. In our opinion and according to information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence reporting under clause 3(iv) of the order is not applicable to the company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 & 76 of the Act and Rules framed there under to the extent notified. Hence reporting under clause 3(v) of the said Order is not applicable to the company.
6. The maintenance of cost records has not been prescribed by the Central Government u/s 148(1) of the Companies Act, 2013. Hence reporting under clause 3(vi) of the Order is not applicable to the company.
7. (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Goods and Service Tax, Custom Duty, Excise Duty, Service Tax, 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 31/03/2019 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, Goods and Service Tax, Sales Tax, Service Tax, Custom duty, Excise Duty Value Added Tax and Cess as at 31/03/2019. 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: 20/08/2019**

**Ashesh Shah
Partner
Membership No. 049712**

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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, 2019 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, 2018, 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: 20/08/2019**

**Ashesh Shah
Partner
Membership No. 049712**

18th ANNUAL REPORT
PATELS AIRFLOW LIMITED.

BALANCE - SHEET AS AT 31st MARCH, 2019			Amount In ₹	
	NOTE	AS AT 31/03/2019	AS AT 31/03/2018	
EQUITY AND LIABILITIES				
Shareholder's Funds :				
Share Capital	2	22500800	22500800	
Reserves & Surplus	3	113603956	97573114	
		136104756		120073914
Non Current Liabilities :				
Long Term Borrowings	4	12372867	15003549	
Deferred Tax Liability (Net)	5	8379730	8086347	
		20752597		23089896
Current Liabilities				
Short Term Borrowings	6	64158652	38382324	
Trade Payables	7			
Micro, Small and Medium Enterprises		1695466	1365652	
Others		31533129	31085352	
Other Current Liabilities	8	28682750	20684459	
Short Term Provisions	9	17157518	14257021	
		143227515		105774808
TOTAL		300084868		248938618
ASSETS				
Non Current Assets				
Property Plant & Equipments	10			
Tangible Assets		100138372	104676778	
Intangible Assets		18168	18168	
Capital Work-In-Progress		7237193	-	
Non Current Investments	11	100000	100000	
Long Term Loans & Advances	12	5706835	4893399	
		113200568		109688345
Current Assets				
Inventories	13	79895740	52493133	
Trade Receivables	14	59805156	60307535	
Cash & Bank Balances	15	19011996	17073173	
Short Term Loans & Advances	16	28042391	9252460	
Other Current Assets	17	129017	123972	
		186884300		139250273
TOTAL		300084868		248938618
Significant Accounting Policies	1			
Notes on Financial Statements	1 to 41			
<p>As per our report of even date attached.</p> <p>For, Ashesh Alkesh & Co. Chartered Accountants (Firm Regn. 119580W)</p> <p>Ashesh Shah Partner M. No. 049712</p> <p>Place : Ahmedabad. Date: 20/08/2019</p>				
<p>For, PATELS AIRFLOW LTD. POPATBHAI B. PATEL CHAIRMAN DIN : 00145058</p> <p>BHOGILAL I. PATEL MANAGING DIRECTOR DIN : 00144617</p> <p>KASHIRAM K. PATEL DIRECTOR DIN : 00145192</p> <p>Place : Ahmedabad. Date: 20/08/2019</p>				

18th ANNUAL REPORT
PATELS AIRFLOW LIMITED.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 st MARCH, 2019		Amount In ₹	
	NOTE	2018/2019	2017/2018
INCOME			
Revenue From Operations	18	524714912	347950975
Other Income	19	4517905	2491354
Total		529232817	350442329
EXPENDITURE			
Cost of Raw Material Consumed	20	356548141	211895327
Change in Inventories	21	(4837749)	4922540
Employee Benefit Expense	22	32520670	27437911
Finance Cost	23	7760331	5627248
Depreciation and Amortization Expense	10	9836983	8632436
Other Expense	24	95497640	70064719
Total		497326016	328580181
PROFIT BEFORE TAXATION		31906801	21862148
TAX EXPENSE			
Current Tax		8801100	6009500
Deferred Tax		293383	(758008)
		9094483	5251492
PROFIT FOR THE YEAR		22812318	16610656
Earning per equity share of face value of ₹ 10 each			
Basic and Diluted EPS [in ₹]		10.14	7.38
Significant Accounting Policies	1		
Notes on Financial Statements	1 to 41		
As per our report of even date attached.		For, PATELS AIRFLOW LTD. POPATBHAI B. PATEL CHAIRMAN DIN : 00145058	
For, Ashesh Alkesh & Co. 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 : 20/08/2019		Place : Ahmedabad Date : 20/08/2019	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st MARCH, 2019		Amount In ₹	
		2018 / 2019	2017 / 2018
1	Cash Flow From Operating Activities		
	Net Profit Before tax	31906801	21862148
	Adjustment for :		
	Depreciation & Amortization	9836983	8632436
	Loss On Sale of Fixed Assets	18035	242444
	Assets Discarded / W-off	354072	
	Interest Income	(1126669)	(1297372)
	Finance Cost	7760331	5627248
		16842752	13204756
	Operating Profit Before Working Capital Changes	48749553	35066904
	Adjusted for:		
	Trade Payables	777591	13278194
	Other Current Liabilities	4189231	(1880700)
	Short Term Provisions	97781	358352
	Long Term Loans & Advances	(813436)	(1958891)
	Inventories	(27402607)	(9771422)
	Trade Receivables	502379	(3862687)
	Short Term Loans & Advances	(14331643)	(4263942)
	Income Tax Paid (Net)	(10467786)	(3638856)
		(47448490)	(11739952)
	Cash Generated From/(Used in) Operations	1301063	23326952
2	Cash Flow From Investing Activities		
	Purchase of fixed assets [Including Capital WIP]	(13148133)	(21438159)
	Sale of Fixed Assets	240254	3090339
	Interest received	1121624	1283274
	Net Cash From/(Used in) Investing Activities	(11786255)	(17064546)
3.	Cash Flow From Financing Activities		
	Interest Paid	(7760331)	(5627248)
	Proceeds from Long Term Borrowings	6295500	13436000
	Repayment of long term Borrowings	(5117122)	(7434386)
	Net Proceeds / (Repayment) from Short Term Borrowings	25776328	(12860485)
	Dividends & Payment of Dividend Tax	(6770360)	(3249772)
	Net Cash From/(Used in) Financing Activities	12424015	(15735891)
4	Net Increase/(Decrease) In Cash and Cash Equivalents	1938823	(9473485)
5	Cash and Cash Equivalents as at the beginning of the Year	17073173	26546658
6	Cash and Cash Equivalents as at the end of the Year	19011996	17073173

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 : 20/08/2019

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 : 20/08/2019

Notes on Financial Statements for the Year ended 31st March, 2019

(1) SIGNIFICANT ACCOUNTING POLICIES :

(i) Basis of Accounting :

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

(ii) Use of Estimates :

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

(iii) Fixed Assets :

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

(iv) Depreciation and Amortization :

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

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

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

(v) Borrowing Costs :

Borrowing costs attributable to the acquisition/constructions of a qualifying asset are capitalised as part of the cost of such assets, up to the date, the assets are ready for its intended use. Other borrowing costs are recognised 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 and GST.

(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 Encashment

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 31st March, 2019

2. SHARE CAPITAL

Amount In ₹

	AS AT 31/03/2019	AS AT 31/03/2018
Authorized :		
25,10,000 (25,10,000) Equity shares of ₹ 10/- each	25100000	25100000
Issued, Subscribed & Paid up :		
22,50,080 (22,50,080) Equity Shares of ₹ 10/- each fully paid up	22500800	22500800
Total	22500800	22500800

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

Particulars	AS AT 31/03/2019		AS AT 31/03/2018	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Balance at the beginning of the year	2250080	22500800	2250080	22500800
Balance at the end of the year	2250080	22500800	2250080	22500800

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

Name of Shareholder	AS AT 31/03/2019		AS AT 31/03/2018	
	No. of Shares	% held	No. of Shares	% held
Bhogilal I. Patel	317790	14.12	317790	14.12
Gitaben D. Patel	244150	10.85	244075	10.85
Shantaben K. Patel	223825	9.95	223825	9.95
Prakash B. Patel	216575	9.63	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	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 31st March, 2019

- 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 31/03/2019	AS AT 31/03/2018
Securities Premium		
As per last Balance Sheet	3060000	3060000
General Reserve		
As per last Balance Sheet	16000000	15000000
Add: Transferred from Statement of Profit & Loss	1000000	1000000
	17000000	16000000
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	78513114	69672818
Add: Profit for the year	22812318	16610656
	101325432	86283474
Less: Appropriations		
Transferred to General Reserve	1000000	1000000
Proposed Dividend on Equity Shares	5625200	5625200
Tax on Dividend	1156276	1145160
	7781476	7770360
	93543956	78513114
Total	113603956	97573114

4. LONG TERM BORROWINGS

Amount In ₹

	AS AT 31/03/2019	AS AT 31/03/2018
Secured		
From Bank	10454311	10173612
From Finance Companies	1918556	4829937
Total	12372867	15003549

Notes on Financial Statements for the Year ended 31st March, 2019**Terms of Borrowing**

- 4.1** Term Loan from Kotak Mahindra Bank Limited including current maturities is secured against Current Assets, Fixed Assets and equitable mortgage of factory premises of the company situated at 61/A, GIDC, Phase-1, Vatva, Ahmedabad.

Term Loan from Kotak Mahindra Bank Limited is carrying interest @ 9.95% and repayable in 34 equated monthly installment of ₹ 254454/- each starting from June 2019 to March 2022. The number of outstanding installments as on 31/03/2019 are 34.

- 4.2** Loan from Bank and finance companies including current maturities represents the Vehicle Loan and is secured against the hypothecation of Vehicles.

Loan from State Bank of India is carrying interest @ 7.65% and repayable in 48 equated monthly installment of ₹ 109121/- each starting from March 2018 to February 2022. The number of outstanding installments as on 31/03/2019 are 35.

Loan from ICICI Bank Ltd is carrying interest @ 8.35% and repayable in 48 equated monthly installment of ₹ 110600/- each starting from April 2018 to March 2022. The number of outstanding installments as on 31/03/2019 are 36.

Loan from Axis Bank Ltd is carrying interest @ 8.66% and repayable in 48 equated monthly installment of ₹ 108900/- each starting from March 2018 to February 2022. The number of outstanding installments as on 31/03/2019 are 35.

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 31/03/2019 are 6.

Loan from Volkswagen 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 31/03/2019 are 28.

Loan from Volkswagen 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 31/03/2019 are 28.

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 31/03/2019 are 29.

Loan from Yes Bank Limited is carrying interest @ 9.60% and repayable in 37 equated monthly installment of ₹ 24727/- each starting from December 2018 to December 2021. The number of outstanding installments as on 31/03/2019 are 33.

Loan from ICICI Bank Ltd is carrying interest @ 9.15% and repayable in 36 equated monthly installment of ₹ 31798/- each starting from October 2018 to September 2021. The number of outstanding installments as on 31/03/2019 are 30.

Notes on Financial Statements for the Year ended 31st March, 2019

5 DEFERRED TAX LIABILITY

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
Deferred Tax Liability		
Related to Fixed Assets	8379730	8086347
Total	8379730	8086347

6 SHORT TERM BORROWINGS

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
Secured		
Working Capital Loan from Banks		
Kotak Mahindra Bank Limited-Cash Credit	54158652	28382324
	54158652	28382324
Unsecured		
From Directors / Members	10000000	10000000
	10000000	10000000
Total	64158652	38382324

- 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 31/03/2019	AS AT 31/03/2018
Micro, Small and Medium Enterprise	1695466	1365652
Others	31533129	31085352
Total	33228595	32451004

Notes on Financial Statements for the Year ended 31st March, 2019

- 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 31/03/2019	AS AT 31/03/2018
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	-	-

8 OTHER CURRENT LIABILITIES**Amount in ₹**

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Current Maturity of Long Term Debt	8692428	4883368
Unpaid Dividends*	798543	727822
Advance from Customers	6520890	10436524
Other Payable for		
Book Bank Overdraft	7309993	1576000
Statutory & Other Liabilities	5360896	3060745
	12670889	4636745
Total	28682750	20684459

* There is no amount due and outstanding as on 31st March, 2019 to be credited to Investors Education and Protection Fund.

9 SHORT TERM PROVISIONS**Amount in ₹**

	AS AT 31/03/2019	AS AT 31/03/2018
Provision for Employee Benefits	1574942	1477161
Provision for Taxation	8801100	6009500
Proposed Equity Dividend [Refer Note Below]*	5625200	5625200
Dividend Distribution Tax	1156276	1145160
Total	17157518	14257021

* **Note :**

The Board of Directors has recommended the dividend @ ₹ 2.50 per equity share of ₹ 10/- each on 22,50,080 equity shares for the year ended 31st March, 2019 [Previous year @ ₹ 2.50 per equity shares of ₹ 10/- each on 22,50,080 equity shares]

Notes on Financial Statements for the Year ended 31 st March, 2019											Amount in ₹	
10 PROPERTY PLANT & EQUIPMENTS												
ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK				
	As On 01-04-2018	Addition During The Year	Sales And/or Adj. During The Year	As On 31-03-2019	As On 01-04-2018	For The Year	On Sales And/or Adj. During The Year	As On 31-03-2019	As On 31-03-2019	As On 31-03-2018		
<u>TANGIBLE ASSETS</u>												
Land (Lease hold)	4988900	-	-	4988900	-	-	-	-	4988900	4988900		
Buildings	40901429	-	-	40901429	8907061	1245468	-	10152529	30748900	31994368		
Plant & Machinery	61920115	3012500	5246404	59686211	25176865	3915955	4932241	24160579	35525632	36743250		
Electric Installation	5575620	-	-	5575620	3206143	485850	-	3691993	1883627	2369477		
Furniture & Fixtures	1067821	171893	-	1239714	767878	62698	-	830576	409138	299943		
Office Equipments	1358422	125938	-	1484360	953055	120272	-	1073327	411033	405367		
Computers	1986357	290322	-	2276679	1719126	124274	-	1843400	433279	267231		
Vehicles	32874081	2310287	2285199	32899169	5265839	3882466	1986999	7161306	25737863	27608242		
TOTAL	150672745	5910940	7531603	149052082	45995967	9836983	6919240	48913710	100138372	104676778		
<u>INTANGIBLE ASSETS</u>												
Software	363344	-	-	363344	345176	0	-	345176	18168	18168		
TOTAL	363344	-	-	363344	345176	0	-	345176	18168	18168		
Grand Total	151036089	5910940	7531603	149415426	46341143	9836983	6919240	49258886	100156540	104694946		
Previous Year	138704318	21438159	9106388	151036089	43482312	8632436	5773605	46341143	104694946	-		

Notes on Financial Statements for the Year ended 31st March, 2019

11 NON CURRENT INVESTMENTS

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
LONG TERM INVESTMENTS - TRADE		
IN FULLY PAID UP EQUITY SHARES - UNQUOTED		
50 Shares of the Green Environment Co-op Society Ltd. (Face value ₹ 100 per Share)	100000	100000
Total	100000	100000

12 LONG TERM LOANS & ADVANCES

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
[UNSECURED AND CONSIDERED GOODS]		
Advance for Capital Goods	866425	70000
Security Deposits	2966199	2966199
Receivable from Govt. Authorities	305695	391159
Income Tax Refund Receivable	1464450	1464450
Others	104066	1591
Total	5706835	4893399

13 INVENTORIES

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
Raw Materials	53781501	33270538
Stock-in-Transit (Raw Materials)	2053895	-
Work-in-Process	24060344	19222595
[As taken, Valued & Certified by the Management]		
Total	79895740	52493133

14 TRADE RECEIVABLES

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
[UNSECURED AND CONSIDERED GOOD]		
Over Six Months	7826517	9113173
Others	51978639	51194362
Total	59805156	60307535

Notes on Financial Statements for the Year ended 31st March, 2019

15 CASH AND BANK BALANCE

Amount in ₹

	AS AT 31/03/2019	AS AT 31/03/2018
CASH AND CASH EQUIVALENTS		
Cash on hand	249609	158471
Balance with Banks #	3327177	1257982
OTHER BANK BALANCE		
Fixed Deposits with Bank*	15435210	15656720
Total	19011996	17073173

Balance with Bank includes unclaimed dividend A/c of ₹ 798543/-
[Previous Year ₹ 727822/-]

* Fixed Deposits with Banks includes Deposit of ₹ 5979877/-
[Previous Year ₹ 1800887/-] with maturity period of more than 12 Months.

16 SHORT TERM LOANS AND ADVANCES

Amount In ₹

	AS AT 31/03/2019	AS AT 31/03/2018
[UNSECURED AND CONSIDERED GOOD]		
GST Credit Receivable	1630280	3546891
Advance Income Tax & TDS	8104638	3646350
Advance to Suppliers	17364144	1120848
Others	943329	938371
Total	28042391	9252460

17 OTHER CURRENT ASSETS

Amount In ₹

	AS AT 31/03/2019	AS AT 31/03/2018
Interest Receivable	129017	123972
Total	129017	123972

Notes on Financial Statements for the Year ended 31st March, 2019

18 REVENUE FROM OPERATIONS

Amount in ₹

	2018 / 2019	2017 / 2018
SALE OF PRODUCTS		
Industrial Fan, Blowers & Accessories	116061092	91187062
Tubes	389703225	246823166
	505764317	338010228
OTHER OPERATING REVENUE		
Job work Income	11463723	12496666
Scrap Sale	7486872	5992903
	18950595	18489569
Revenue From Operations [Gross]	524714912	356499797
Less : Excise Duty [Refer Note 34]	-	8548822
Total	524714912	347950975

19 OTHER INCOME

Amount in ₹

	2018 / 2019	2017 / 2018
INTEREST INCOME		
On FD's with Bank	886846	1209873
On Deposit	177273	87499
Others	62550	-
	1126669	1297372
Net Gain on Foreign Currency Transactions and Translation	2874976	1019427
Other Income	516260	174555
Total	4517905	2491354

20 COST OF MATERIALS CONSUMED

Amount in ₹

	2018 / 2019	2017 / 2018
RAW MATERIAL CONSUMED		
Opening Stock	33270538	18562376
Add : Purchase	379112999	226603489
	412383537	245165865
Less :		
Closing Stock	53781501	33270538
Goods-in-Transit	2053895	-
	55835396	33270538
Total	356548141	211895327

Notes on Financial Statements for the Year ended 31st March, 2019**21 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK - IN - PROCESS**

Amount in ₹

	2018 / 2019	2017 / 2018
Closing Stock:		
Work - in - Process	<u>24060344</u>	<u>19222595</u>
	24060344	19222595
Less : Opening Stock:		
Finished Goods	-	116440
Work - in - Process	<u>19222595</u>	<u>24042895</u>
	19222595	24159335
Add / (Less) :		
Differential Excise Duty on Opening and Closing Stock on Finished Goods	-	14200
Total	<u><u>4837749</u></u>	<u><u>(4922540)</u></u>

22 EMPLOYEE BENEFIT EXPENSE

Amount in ₹

	2018 / 2019	2017 / 20178
Salaries and Wages	28135766	23656148
Contribution to Provident and Other Funds	3051140	2602281
Staff Welfare Expense	1333764	1179482
Total	<u><u>32520670</u></u>	<u><u>27437911</u></u>

23 FINANCE COST

Amount In ₹

	2018 / 2019	2017 / 2018
Interest Expense	7311501	5173519
Other Financial Charges	448830	453729
Total	<u><u>7760331</u></u>	<u><u>5627248</u></u>

Notes on Financial Statements for the Year ended 31st March, 2019

24 OTHER EXPENSE

Amount in ₹

	2018 / 2019	2017 / 2018
Stores, Spare-parts & Packing Material Consumed	30701877	24392826
Labour Charges	23518690	15938591
Power and Fuel	24597665	16316189
Rent, Rates & Taxes	372613	389930
Repairs to :		
Building	1257805	269764
Machinery	1377506	1001464
Others	253760	236633
	2889071	1507861
Audit Fees	105000	85000
Commission	512129	716377
Legal & Professional Charges	554936	641478
Travelling Expenses	1223459	818063
Stationery & Printing Exp.	467127	440237
Vehicle Expenses	1856144	1300271
General Charges	5042972	4285757
Transport and Handling Charges	3283850	2989695
Loss on Sale of Assets	18035	242444
Assets Discarded/W-off	354072	-
Total	95497640	70064719

25 Details of guarantees Given :

Particulars	2018 / 2019	2017 / 2018
Bank guarantees given (in ₹)	6375113	10056230

26 Capital Commitments :

Estimated amount of contracts remaining to be executed for capital expenditure and not provided for is ₹ 3656000/- [Previous year ₹ 244625/-] against which advances have been paid ₹ 866425/- [Previous Year ₹ 70000/-].

Notes on Financial Statements for the Year ended 31st March, 2019

27 Details of Foreign Currency Exposures

[Not hedged by a Derivative Instruments or otherwise]

	2018 / 2019		2017 / 2018	
	In US \$	In ₹.	In US \$	In ₹.
Debtors	9945	687909	112207	7298419
Advance to Suppliers	248000	17154451	9490	617268
Advance From Customers	14394	995617	-	-

28 Employee Benefits

Particulars	2018 / 2019	2017 / 2018
Contribution to Provident and Pension Fund (in ₹)	2304818	1865866
Contribution towards LIC Group Gratuity Scheme (in ₹)	511031	479712

29 Earning Per Share :

	Year ended 31/03/2019	Year ended 31/03/2018
Net Profit for the year after tax (in ₹)	22812318	16610656
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)	10.14	7.38

30 Auditor's Remuneration :

Amount In ₹.

	2018 / 2019	2017 / 2018
Audit Fees (IN ₹.)	85000	65000
Income Tax Matter (IN ₹.)	20000	20000

Notes on Financial Statements for the Year ended 31st March, 2019**31 Related Party Disclosures under Accounting Standard (AS) -18:**

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

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 Transaction	Key Management Personnel	Total
1	Unsecured Loans		
	Balance as at 01/04/2018	10000000	10000000
		(10000000)	(10000000)
	Received during the year	-	-
		(-)	(-)
	Repaid during the year	-	-
		(-)	(-)
	Balance as at 31/03/2019	10000000	10000000
		(10000000)	(10000000)
2	Interest Paid	1000000	1000000
		(1000000)	(1000000)
3	Director remuneration	13200000	13200000
		(9700000)	(9700000)

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

- 32** 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.
- 33** 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.

Notes on Financial Statements for the Year ended 31st March, 2019

- 34 In accordance with AS -9 on 'Revenue Recognition' and Schedule III to Companies Act, 2013 sales for the period 1st April, 2017 to 30th June, 2017 [for the previous year ended 31st March, 2018] and has been reported gross of excise duty and net of value added tax (VAT) under the note "Revenue from Operations" and excise duty has been shown as reduction under the separate line item from the sales in the said note. However consequent to the introduction of Goods and Service Tax (GST) w.e.f. 1st July, 2017, VAT, Excise Duty etc. have been absorbed in the GST and hence from the said date, GST has neither recognized as part of sales nor shown as separate line item under the note "Revenue from Operations".

35 Contingent Liabilities :

Particulars	2018 / 2019	2017 / 2018
Contingent Liabilities not provided for in financial statemen	Nil	Nil

36 Break up of Raw Materials Consumed :

(Value in ₹)

Class of Materials	2018 / 2019	2017 / 2018
Iron & Steel	29911874	19547608
Electric Motors	12910714	11157423
Seamless Tubes	292014755	163926004
Others	21710798	17264292
Total	356548141	211895327

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

	2018 / 2019		2017 / 2018	
	In %	In ₹	In %	In ₹
<u>Raw Materials</u>				
- Imported	53.27	189935836	43.23	91604833
- Indigenous	46.73	166612305	56.77	120290494
Total	100.00	356548141	100.00	211895327
<u>Stores, Spares & Packing Material</u>				
- Imported	Nil	Nil	Nil	Nil
- Indigenous	100.00	30701877	100.00	24392826
Total	100.00	30701877	100.00	24392826

38 C.I.F. Value of Imports :

	2018 / 2019	2017 / 2018
1 Raw Material [In ₹]	194786864	85681520

Notes on Financial Statements for the Year ended 31st March, 2019

39 Expenditure in Foreign Currency :

		2018 / 2019	2017 / 2018
1	Travelling Expense [In ₹]	230405	90382

40 Earning in Foreign Exchange :

		2018 / 2019	2017 / 2018
1	F.O.B. Value of Exports [In ₹]	21941914	31786011

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.

POPATBHAI B. PATEL
CHAIRMAN
DIN : 00145058

Ashesh Shah
Partner
M. No. : 049712

BHOGILAL I. PATEL
MANAGING DIRECTOR
DIN : 00144617

KASHIRAM K. PATEL
DIRECTOR
DIN : 00145192

Place : Ahmedabad
Date : 20/08/2019

Place : Ahmedabad
Date : 20/08/2019

PATELS AIRFLOW LIMITED

CIN: U31909GJ2001PLC039998

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

Web site: www.patelsairflow.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]

18thAnnual General Meeting – Friday, 27thDay of September, 2019, at 11.00 A.M.

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____

DP ID : _____

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

1. Name : _____

Address : _____

E-mail Id : _____ Signature : _____

Or failing him

2. Name : _____

Address : _____

E-mail Id : _____ Signature : _____

Or failing him

3. Name : _____

Address : _____

E-mail Id : _____ Signature : _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Friday, 27th September, 2019 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:

** I wish my above proxy to vote in the manner as indicated in the box below :

Resolution No.	Particulars of Resolution(s)	Vote	
		For	Against
	ORDINARY BUSINESS		
1	To receive, consider and adopt the Audited Standalone Financial Statements of the company for the Financial Year ended on 31 st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.		
2	To declare Dividend on Equity Shares for the financial year 2018-19		
3	To appoint a Director in place of Shri Bhogilal Ishwarlal Patel (DIN: 00144617), Managing Director, who retires by rotation and being eligible offers himself for re-appointment.		
4	To appoint a Director in place of Shri Kashiram Khodidas Patel (DIN: 00145192), Wholetime Director, who retires by rotation and being eligible offers himself for re-appointment.		
5	Appointment of M/s. Ashesh Alkesh & Co, Chartered Accountants as Statutory Auditors and fixation of their remuneration.		
	SPECIAL BUSINESS		
6	To regularize Shri Kaival Devang Patel (DIN: 05140511), as a Non-executive Director of the company.		
7	To regularize Shri Akash Himanshu Patel (DIN: 08512178), as an Executive Director of the company.		
8	To fix remuneration payable to Shri Akash Himanshu Patel (DIN: 08512178), Executive Director of the company.		

Signed this _____ day of _____ 2019

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
revenue
Stamp of
Rs. 1/-

**Signature of the
shareholder
across Revenue
Stamp**

Notes:

- (1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- (2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- (3) A Proxy need not be a member of the Company.
- (4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- (5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

PATELS AIRFLOW LIMITED

CIN: U31909GJ2001PLC039998

Regd. Office:

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

Website: www.patelsairflow.com E-mail ID: paflacct@gmail.com

ATTENDANCE SLIP

(To be presented at the entrance)

I/we hereby record my/our presence at the 18th Annual General Meeting of the Patels Airflow Limited, held on Friday, 27th day of September, 2019 at 11.00 a.m. at 61 Phase I, GIDC Industrial Estate, Vatva, Ahmedabad – 382445, Gujarat.

Full name of the member attending : _____

Name of Proxy : _____

Regd. Folio No. : _____ DP Id : _____

Client Id* : _____ No. Of shares held : _____

Full Name of Shareholder (In block letters)

Signature

Full Name of Shareholder (In block letters)

Signature

Route Map of Venue of 18th Annual General Meeting of Patels Airflow Limited to be held on Friday, 27th September, 2019 at 61 Phase I, GIDC Industrial Estate, Vatva, Ahmedabad – 382445, Gujarat.



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

To, _____

If undelivered please return to :



PATELS AIRFLOW LIMITED.

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