

AIRFLOW EQUIPMENTS (INDIA) PRIVATE LIMITED

No. 9, Chelliamman Koil Street, Keelkattalai, Chennai – 600 117

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BOARD'S REPORT

Your Directors have pleasure in presenting you the 23rd Annual Report of the Company for the financial year ending 31st March 2022.

1. **Financial Summary / Working Results / State of Affairs:** (amounts in Rs.Lakhs)

Particulars	Current Year	Previous Year
Revenue from Operations	13,749.38	12,183.30
Profit before Tax	499.66	353.58
Profit after Tax	219.43	367.34
Earnings Per Share (both Basic EPS and Diluted EPS)	Rs. 4.39	Rs. 7.35

The Company expects good growth prospects in the coming years.

2. **Directors:** The details of Directors as on 31.03.2022 are as under –

S. No.	Name	Date of Birth	Nationality	Date of Appointment	PAN	DIN
1.	D. Venkatesan	12/06/1965	Indian	14/12/1998	ACFPV9969G	00232210
2.	D. Manikandan	12/10/1980	Indian	18/08/2005	AHYPM6189M	00232275

3. **Board Meetings:** During the year under Report, your Board of Directors met 6 times as detailed below and held fruitful discussions relating to the Company's affairs. The Meetings have been held in accordance with the applicable provisions of the Companies Act, 2013, (hereinafter referred to as "the Act").

S No.	Date of Meeting	No of Directors on Date of Meeting	Number of Directors attended
1.	07-05-2021	2	2
2.	14-07-2021	2	2
3.	20-09-2021	2	2
4.	28-11-2021	2	2
5.	12-01-2022	2	2
6.	30-03-2022	2	2

4. **Audit of Accounts:**

- The accounts for the financial year ending on 31/03/2022 have been audited and will be placed before the Members of the Company in the 23rd Annual General Meeting for their comments and approval.
- There is no Qualification, Reservation or Adverse Remark or Disclaimer made in the Auditors' Report.
- There are no frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013.

5. **Directors' Responsibility Statement:** The Directors report that –
- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures,
 - (b) The Directors had selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a True and Fair view of the State of Affairs of the Company at the end of the Financial Year 2021–2022 and of the Profit and Loss of the Company,
 - (c) 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,
 - (d) The Directors had prepared the Annual Accounts on a going concern basis,
 - (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable Laws and that such systems were adequate and operating effectively.
6. **Particulars prescribed u/s 134(3) of the Act 2013:** Your Directors confirm —
- (a) That the Extract of the Annual Return as provided under Section 92(3) of the Act, is annexed to this Report.
 - (b) That the Provisions of Section 149(6) of the Act, relating to Independent Directors is **not applicable** for your Company.
 - (c) That the Provisions of Section 178(1) and 178(3) of the Act, relating to Remuneration Committee is **not applicable** for your Company.
 - (d) That, during the period under Report, your Company has not given any Loans, Guarantees or made Investments, which require reporting under Section 186 of the Act.
 - (e) That the Company does not propose to carry any amount to any Specific Reserve as such.
 - (f) That there are no material changes or commitments affecting the financial position of the Company, which have occurred between the 31st March 2022, i.e. the period to which the Balance Sheet relates, and the date of this Report.
 - (g) That the Company continues its efforts to improve methods for energy conservation and utilization with respect to usage of Purchased Power, improved efficiency and intensified vigil on power wastage.
 - (h) That the Company has not carried out any Research and Development activity in its specific area of activities and hence the prescribed particulars with respect to Research and Development, Technology Absorption, Adaptation and Innovation are not applicable to the Company.
 - (i) That the Company had imported components and has made export sales during the Financial year, the details whereof are provided in the Notes to the Financial statements.
 - (j) That the Provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility(CSR) is applicable for your Company during the period under Report whereas the Company has plans to constitute a CSR Committee and adopt a CSR Policy, in accordance with Schedule VII of the Companies Act,2013 in the coming years.
 - (k) The Company is not a Listed Company or a Public Company, and accordingly, the disclosure, as to whether maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Act, is not required.
 - (l) The Company is not a Listed Company or a Public Company, and accordingly, the reporting requirements as to whether the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable.
7. **Related Party Contracts / Agreements:** A detailed Report on Related Party Transactions during the Financial Year 2021–2022 are annexed to this Report as **Annexure B**.

8. Risk Management:

- (a) Your Company recognizes that the main aim of the Risk Management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for its Business.
- (b) There are no identified Risks that threaten the existence of the Company.

9. Information u/s 134(3)(g) of the Act: Your Directors confirm –

- (a) That there is no change in the nature of your Company's Business.
- (b) That there are no new Directors or Key Managerial Personnel appointed or have resigned during the year under Report.
- (c) That there are no transactions as to Acquisition or Disposal of Subsidiaries, Joint Ventures / Associates during the Year.
- (d) That the Company has not accepted any Deposits under Chapter V of the Act.
- (e) That there are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
- (f) That the Company is having adequate Internal Financial Controls with reference to the Financial Statements.

10. Dividends: Having regard to future prospects, investment and development plans and the need to retain sufficient profits in the business, your Directors do not recommend any Dividend for the period under review.

11. Acknowledgements: Your Directors wish to place on record their sincere appreciation for the valuable cooperation and support provided to the Company by Government Authorities, Bankers, Customers, Dealers, Vendors, Service Providers, and Employees at all levels.

Place: Chennai Date: 19/09/2022	By Order of the Board <div style="display: flex; justify-content: space-between;"><div>D Venkatesan Director DIN: 00232210</div><div>D Manikandan Director DIN: 00232275</div></div>
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Sub-Total (B) (1)	–	–	–	–	–	–	–	–	–
2. Non-Institutions		NOT	APPLI	CABLE					
a) Body Corp.									
(i) Indian	–	–	–	–	–	–	–	–	–
(ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
(i) Individual Share-holders holding Nominal Share Capital upto ` 1 Lakh	–	–	–	–	–	–	–	–	–
(ii) Individual Share-holders holding Nominal Share Capital in excess of ` 1 Lakh	–	–	–	–	–	–	–	–	–
c) Others (Specify)	–	–	–	–	–	–	–	–	–
(i) Non Resident Indians	–	–	–	–	–	–	–	–	–
(ii) Overseas Corp.Bodies	–	–	–	–	–	–	–	–	–
(iii) Foreign Nationals	–	–	–	–	–	–	–	–	–
(iv) Clearing Members	–	–	–	–	–	–	–	–	–
(v) Trusts	–	–	–	–	–	–	–	–	–
(vi) Foreign Bodies – D R	–	–	–	–	–	–	–	–	–
Sub-Total (B) (2)	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B) = (B) (1) + (B) (2)									
C. Shares held by Custodian for GDRs & ADRs		NOT	APPLI	CABLE					
Grand Total (A+B+C)	–	4995000	4995000	100%	–	4995000	4995000	100%	–

B. Shareholding of Promoters

Shareholder's Name	Shareholding at 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	
D Venkatesan	24,97,500	50%	–	24,97,500	50%	–	–
D Manikandan	24,97,500	50%	–	24,97,500	50%	–	–

C. Change in Promoters' Shareholding

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 Company
1. D.Venkatesan				
At the beginning of the year	24,97,500	50%	24,97,500	50%
Add / (Less): Incr./ (Decr.) during the year	–	–	–	–
At the end of the Year	24,97,500	50%	24,97,500	50%
2. D Manikandan				
At the beginning of the year	24,97,500	50%	24,97,500	50%
Add / (Less): Incr./ (Decr.) during the year	–	–	–	–
At the end of the Year	24,97,500	50%	24,97,500	50%

D. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holder of GDRs and ADRs)

Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of. Shares	% of Total Shares of the Company	No. of. Shares	% of Total Shares of the Co.
–	–	–	–	–

E. Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
	No. of. Shares	% of Total Shares of the Company	No. of. Shares	% of Total Shares of the Company
1. D Venkatesan				
At the beginning of the year	24,97,500	50%	24,97,500	50%
Add / (Less): Incr./ (Decr.) during the year	–	–	–	–
At the end of the Year	24,97,500	50%	24,97,500	50%
2. D Manikandan				
At the beginning of the year	24,97,500	50%	24,97,500	50%
Add / (Less): Incr./ (Decr.) during the year	–	–	–	–
At the end of the Year	24,97,500	50%	24,97,500	50%

V. INDEBTEDNESS (Note: Both Long Term and Short Term Items are considered here)

Particulars (amounts in Rs.)	Secured Loans excluding Deposits	Unsecured Loans	Depo–sits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
(i) Principal Amount	57,59,36,073	7,03,30,167	NIL	64,62,66,241
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	57,59,36,073	7,03,30,167	NIL	64,62,66,241
Change in Indebtedness during the Financial Year				
(i) Addition	9,34,70,456	5,25,21,002	NIL	14,59,91,458
(ii) Reduction	(3,24,00,598)	(5,33,10,368)	NIL	(8,57,10,966)
Net Change	6,10,69,858	(7,89,366)	NIL	6,02,80,492
Indebtedness at the end of the Financial Year				
(i) Principal Amount	63,70,05,931	6,95,40,802	NIL	70,65,46,732
(ii) Interest due but not paid	NIL	NIL	NIL	NIL
(iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	63,70,05,931	6,95,40,802	NIL	70,65,46,732

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole–Time Director and / or Manager**

Particulars of Remuneration	Name of MD/WTD/Manager	Total Amt in Rs.
1. Gross Salary		
(a) Salary as per Provisions contained in Section 17(1) if the Income Tax Act, 1961	D Venkatesan D Manikandan	75,00,000 75,00,000
(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	–	–
(c) Profits in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	–	–
2. Stock Option	–	–
3. Sweat Equity	–	–
4. Commission	–	–
(a) As % of Profit	–	–
(b) Others (Specify)	–	–
5. Others, please Specify (Consultancy)	–	–
Total	–	1,50,00,000
Ceiling as per the Act	–	NA

B. Remuneration to other Directors

Particulars of Remuneration	Name of Directors			Total Amount
1. Independent Directors	–	–	–	–
Fees for attending Board Committee Meetings	–	–	–	–
Commission	–	–	–	–
Others, please Specify	–	–	–	–
Total (1)	–	–	–	–

Particulars of Remuneration	Name of Directors			Total Amount
2. Other Non-Executive Directors	–	–	–	–
Fees for attending Board Committee Meetings	–	–	–	–
Commission	–	–	–	–
Others, please Specify	–	–	–	–
Total (2)	–	–	–	–
Total = (1+2)	–	–	–	–
Total Managerial Remuneration	–	–	–	–
Overall Ceiling as per the Act	–	–	–	–

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Particulars of Remuneration	Key Managerial Personnel			Total Amount
	CEO	CS	CFO	
1. Gross Salary				
(a) Salary as per Provisions contained in Section 17(1) if the Income Tax Act, 1961	–	–	–	–
(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–	–
(c) Profits in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–
2. Stock Option	–	–	–	–
3. Sweat Equity	–	–	–	–
4. Commission	–	–	–	–
(a) As % of Profit	–	–	–	–
(b) Others (Specify)	–	–	–	–
5. Others, please Specify	–	–	–	–
Total	–	–	–	–
Ceiling as per the Act	–	–	–	–

VII. Penalties / Punishments / Compounding of Offences

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			NOT APPLICABLE		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NOT APPLICABLE		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NOT APPLICABLE		
Penalty					
Punishment					
Compounding					

Place: Chennai Date: 19/09/2022	By Order of the Board	
	D Venkatesan Director DIN: 00232210	D Manikandan Director DIN: 00232275