

**VOLGA**

**VOLGA AIR TECHNICS LIMITED**

**TWENTY FIRST  
ANNUAL REPORT  
2013-14**



**VOLGA AIR TECHNICS LIMITED**

**L99999GJ1993PLC019296**

**BOARD OF DIRECTORS :**

Mr. Mahendrabhai S. Bhalavat  
Mr. Atulbhai J. Shah  
Mrs. Swetaben R. Shah

Chairman and Managing Director (DIN 00139078)  
Director (DIN 00139604)  
Director (DIN 139860)

**AUDIT COMMITTEE :**

Mr. Atulbhai J. Shah  
Mrs. Swetaben R. Shah  
Mr. Mahendrabhai S. Bhalavat

Chairman (DIN 00139604)  
Director (DIN 139860)  
Director (DIN 00139078)

**AUDITORS :**

S.N.Mehta & Associates  
Chartered Accountants  
Ahmedabad.

**BANKERS :**

Central Bank Of India  
Lal Darwaja Branch,  
Ahmedabad.

**REGISTERED OFFICE & FACTORY :**

Plot No. 472 & 478,  
Village Changodar, Tal.: Sanand,  
Dist: Ahmedabad. Pin Code: 382 213

**REGISTRAR AND TRANSFER AGENT :**

Purva Sharegistry (India) Pvt. Ltd.  
9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Opp. Kasturba Hospital,  
Lower Parel (East),  
Mumbai - 400 011.

(2)



**NOTICE**

**VOLGA AIR TECHNICS LIMITED**

**[L99999GJ1993PLC019296]**

NOTICE is hereby given that the Twenty First Annual General Meeting of VOLGA AIR TECHNICS LIMITED [L99999GJ1993PLC019296] will be held at the Registered Office of the Company at Plot NO. 472 & 478, Village Changodar, Ta: Sanand, Dist. Ahmedabad on Monday, the 29<sup>th</sup> September, 2014 at 12.00 noon to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2014 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Bhalavat, who retires by rotation and being eligible, offer himself for reappointment.
3. To consider and if thought it, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 139 (1) of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, the retiring Auditors, M/s. S N Mehta & Associates (Firm Reg. No: 106306W), Chartered Accountants, Ahmedabad be and is hereby re-appointed as the Statutory Auditors of the Company for a period of three years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of AGM for the F.Y. 2016-17 of the Company (subject to ratification of their appointment at every AGM), at such remuneration as may be determined by the Board of Directors of the Company from time to time."

**SPECIAL BUSINESS:**

4. **To consider and if thought fit to pass the following Resolution, as Special Resolution.**

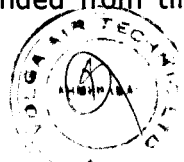
**"RESOLVED THAT** subject to the provisions of Section 188, Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 consent of the Company be and is hereby given for renewal of term of appointment of Mr. Mahendra S. Bhalavat as a Managing Director of the Company for a period of three years w.e.f. 1<sup>st</sup> June, 2014 without payment of any remuneration and he shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to do all such acts, deeds and execute such documents as may be required for the purpose of implementation of this resolution."

5. **To consider and if thought fit to pass the following Resolution, as Ordinary Resolution.**

**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mr. Atul J. Shah**

(3)



(DIN: 00139604), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 29<sup>th</sup> September, 2014 up to 28<sup>th</sup> September, 2019."

**6. To consider and if thought fit to pass the following Resolution, as Ordinary Resolution.**

"**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, **Mrs. Swetaben R. Shah (DIN: 00139860)**, a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 29<sup>th</sup> September, 2014 up to 28<sup>th</sup> September, 2019."

**By order of the Board,**



**M.S. BHALAVAT**  
**Chairman & MD**  
**(DIN 139078)**

**Place : Ahmedabad**  
**Date : 30/05/2014**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Register Books of the Company will remain closed from 22<sup>nd</sup> September, 2014 to 29<sup>th</sup> September, 2014 (both days inclusive).
3. Documents referred to in the accompanying Notice and the Annexure to Notice are open for inspection to members at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on any working day of the Company, upto the date of the Annual General Meeting.

**ANNEXURE**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of the Director	Mr. Mahendra Bhalavat	Mr. Atul J. Shah	Mrs. Swetaben R. Shah
Date of Birth	04/09/1948	30/04/1948	06/10/1981
Date of Appointment	16/04/1993	16/09/2004	16/06/2004
Experience in specific functional area	Mr. Mahendra Bhalavat is involved with the Company since from the incorporation and has played a significant role in the Company. He actively participates in the day to day operations of the Company.	Mr. Atul J. Shah is involved with the Company since from the year 2004 and has played a significant role in the Company. He actively participates in the day to day operations of the Company.	Mrs. Sweta R. Shah is involved with the Company since from the year 2004 and has played a significant role in the Company. She actively participates in the day to day operations of the Company.
Directorship in other companies	1. V R F Engineers Private Limited 2. Volga eServices Private Limited	Nil	Nil
No. of Shares held in the Company	2,36,360 Equity Shares	Nil	Nil

**By order of the Board,**



*M.S. Bhalavat*

**M.S. BHALAVAT  
Chairman and Managing Director  
(DIN 139078)**

**Place : Ahmedabad  
Date : 30/05/2014**

**Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013**

**ITEM NO.3:**

The Board has reappointed Mr. Mahendra S. Bhalavat, Managing Director of the Company on contractual basis without any remuneration w.e.f. 1<sup>st</sup> June, 2014 for a period of two years in it's meeting held on 30<sup>th</sup> May, 2014 as recommended by Remuneration Committee. As per provisions of Section 196 of the Companies Act, 2013 it is required to obtain approval of members in the next general meeting of the Company for reappointment of Managing Director.

Accordingly approval of members sought for reappointment of Mr. Mahendra S. Bhalavat as Managing Director of the Company.

The Board of Directors recommend the resolution for your approval.

None of the Directors except Mr. Mahendra S. Bhalavat, Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly interested in the above resolution.

**ITEM NO. 4 & 5:**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Atul J. Shah and Mrs. Swetaben R. Shah as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. As per the clarification issued by the Ministry of Corporate Affairs under General Circular Number 14/2014 all independent directors are to be re-appointed under Sec. 149(10)/ (11) read with Schedule IV of the Act.

In view of the above notification, the Remuneration Committee has recommended the appointment of these directors as Independent Directors from 29<sup>th</sup> September, 2014 up to 28<sup>th</sup> September, 2019.

Mr. Atul J. Shah and Mrs. Swetaben R. Shah non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

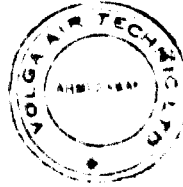
The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.



The Board recommends the resolution in relation to appointment of Mr. Atul J. Shah and Mrs. Swetaben R. Shah as an Independent Director, for the approval by the shareholders of the Company.

None of the Directors (except Mr. Atul J. Shah and Mrs. Swetaben R. Shah) Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/indirectly interested in the above resolution.

**Place : Ahmedabad**  
**Date : 30/05/2014**



**By order of the Board,**

A handwritten signature in black ink, appearing to read "M.S. Bhalavat".

**M.S. BHALAVAT**  
**Chairman & MD**  
(DIN 139078)

# VOLGA AIR TECHNICS LIMITED

## DIRECTORS' REPORT

### To the Shareholders

Your Directors present their Twenty First Annual Report along with the audited financial statement for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS:

The financial results of the Company for the year ended 31<sup>st</sup> March, 2014 are as under:

Particulars	(Rs. in lacs)	
	2013-2014	2012-2013
Sales & Other Income	00.35	05.67
Increase/(Decrease) in inventories	00.00	00.00
Total Expenditure	06.67	06.38
- Interest*/Financial Expenses	00.12	00.00
- Depreciation	00.00	00.00
Net Profit/ (Loss)	(06.32)	(00.71)
Adjustment of prior period items	00.00	00.00
Net Profit/(Loss) for the year	(06.32)	(00.71)

- No provision has been made for interest on the borrowings from bank and financial institutions since July, 2000.

### OPERATIONS:

The operations of the Company were suspended from 22<sup>nd</sup> November, 2009 and all workers have been relieved. The Company has filed an application with the Board for Industrial & Financial Reconstruction (BIFR) and also applied to Government of Gujarat for settlement of the dues of GIIC and Sales Tax as per GR BFR/(HPC)/102009/435690/P dated 15<sup>th</sup> July, 2010. Company has with the assistance of acquirer, full settled the dues of IDBI and Central Bank of India and considering the fact that the Draft Rehabilitation Scheme is under active consideration of GIIC under the government resolution, your directors are hopeful to revive it's operations during the year and the proposed acquirer likely to introduce new products.

The Company is also planning to deal in products like Gas Geyser, R.O. Systems and Water Cooler in near future.

### DIVIDEND:

Your Directors regret their inability to recommend any dividend.

### PARTICULARS OF CONSERVATION OF ENERGY ETC.:

During the year, no manufacturing operations were carried out. Therefore, information as prescribed under Section 217 (1) (e) of the Companies Act, 1956 is NIL. However, details of the same are attached as Annexure-I to this report.





## **PARTICULARS OF EMPLOYEES:**

No employee of the Company has drawn total remuneration exceeding the limits prescribed u/s 217(2A) of the Companies Act, 1956 read with Companies particulars of Employees) Rules, 1975.

## **INSURANCE:**

All the assets of the Company to the extent required, have been adequately insured.

## **DEPOSITS:**

As on March 31, 2014, the Company has no unpaid deposits. During the year, the Company has not taken or accepted any deposit from public.

## **STOCK EXCHANGE LISTING STATUS:**

The Equity Shares of the Company have been listed on Ahmedabad and Bombay Stock Exchange, since 1996. The Bombay Stock Exchange Limited (BSE) suspended the shares from trading in 1999. The Company after clearing outstanding listing fees, applied for revocation of the suspension, which is pending for approval. Upon sanction of the scheme by BIFR the suspension of trading of Shares of the Company is likely to be revoked.

The Company applied for delisting of Equity Shares of the Company from the Ahmedabad Stock Exchange Limited (ASE) to curtail its recurring cost. ASE demanded outstanding Listing fees as on 7<sup>th</sup> May, 2013 was Rs. 3,34,137/-.

The Listing Fees of Bombay Stock Exchange, for period upto F.Y.2010-11 has been paid by the Company and of ASE is unpaid.

## **AUDITORS:**

M/s. S. N. Mehta, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is required to change the Auditors of the Company within a period of three years in case the existing Auditors firm is appointed for a period of more than 5 years.

It is therefore proposed to appoint M/s. S. N. Mehta, Chartered Accountants as statutory auditors of the Company for the financial year 2014-15 subject to ratification of their appointment at ensuing AGM.

The Company has received letters from M/s S. N. Mehta- Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as Statutory Auditors of the Company.

## **COMMENT ON AUDITORS' REPORT:**

As the Company has been Sick and its account has been non performing asset with Bank's and financial institutions. Since rehabilitation scheme is under consideration for one time settlement with Secured Creditors, interest has not been provided during the year under review, as has been done since July, 2000 onwards.



## **DIRECTORS:**

Mr. Mahendra Bhalavat, retires by rotation and being eligible, offer himself for reappointment.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of upto five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation.

Accordingly, it is proposed to appoint Mr. Atul J. Shah and Mrs. Swetaben R. Shah as Independent Directors of your Company up to 5 (five) consecutive years from the date of this Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state as under; subject to Notes to the Accounts at Schedule 13 annexed thereto:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
2. appropriate accounting policies have been selected in consultation with the Statutory Auditors and applied consistently to facilitate true and fair view of the state of affairs of the Company and of the Profit/ Loss of the Company for the year under review;
3. sufficient and proper care has been taken to maintain adequate accounting records of the Company, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and the annual accounts have been prepared on a going concern' basis.

## **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Compliance report on the Corporate Governance along with Auditors' Certificate is annexed as part of the Annual Report.

## **ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere thanks to the customers, investors, business associates, Government authorities, Banks, Financial Institutions and IDBI particularly as Operating Agency for their continued support and solicit their guidance and similar co - operation in future. Your Directors would also wish to express their gratitude for the efforts made by all in the struggle for survival of the Company.

**On behalf of the Board of Directors**



**M.S. Bhalavat**  
**Chairman and Managing Director**

**Place : Ahmedabad**  
**Date : 30/05/2014**

**ANNEXURE I:** Information Pursuant to Section 217 (1) (e) of the Companies Act, 1956.

**(A) CONSERVATION OF ENERGY :**

- a) Energy Conservation measures taken : N.A.
- b) Additional investments & proposals for reduction of consumption of energy: -
- c) Impact of measures of (a) and (b) above for reduction of energy consumption and Consequent, impact on the cost of production of goods : Not applicable
- d) Total energy consumption and energy consumption per Unit of Production:  
As per Form - A Annexed.

**B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:**

- e) As per Form - B Annexed.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL**

Place : Ahmedabad  
Date : 30/05/2014



On behalf of the Board of Directors

**M.S. Bhalavat**  
Chairman and Managing Director

**FORM A**

Form for disclosure of particulars with respect to conservation of energy

	<b>2013 - 14</b>	<b>2012-13</b>
<b>A. Power and Fuel consumption**</b>		
1. Electricity :	*	*
<b>(a) Purchased</b> :		
Units :	*	*
Total amount (Rs.) :	*	*
Rate/Unit (Rs.) :	*	*
<b>(b) Own generation</b> :		
(i) Through diesel generator :		
Units :	NIL	NIL
Unit per-ltr. of diesel oil :	NIL	NIL
Cost/Unit (Rs.) :	NIL	NIL
(ii) Through steam turbine/generator:	Nil	Nil
2. Coal (specify quality and where used) :	Nil	Nil
3. Furnace oil :	Nil	Nil
4. Others :	Nil	Nil
<b>B. Consumption per Unit of Production *</b> :	*	*
Electricity (KWH) Average :	*	*
Furnance oil :	-	-
Coal :	-	-
Others :	-	-

Note:\* The Company discontinued its Operations totally from 22nd Nov. 2009. Hence, consumption of electricity is not mentioned. There is only minimum use of electricity for lighting purpose.



**FORM B**

Form for disclosure of particulars with respect to Technology Absorption

**Research and Development (R & D)** \*

- |   |   |     |
|---|---|-----|
| 1. Specify areas in which R & D carried out by the Company. | : | NIL |
| 2. Benefits derived as a result of the above R & D          | : | NIL |
| 3. Future plan of action                                    | : | NIL |
| 4. Expenditure on R & D                                     | : | NIL |

**Technology absorption, adaptation and innovation:** \*

- |  |   |     |
|--|---|-----|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation  | : | NIL |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. | : | NIL |

Note:\* The Company discontinued its Operations totally from 22<sup>nd</sup> Nov. 2009. Hence there is no Research and Development (R & D) and Technology absorption, adaptation and innovation during the year.



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The good Corporate Governance is globally accepted principle. Volga believes that it has immense value and understands that accountability, equity and total transparency in its interaction with all its stakeholders as its responsibility in conducting its business. Hence it is totally committed to achieving highest levels of standards in Corporate Governance Practice.

### 2. BOARD OF DIRECTORS

#### Composition, Attendance and Information of other Directorships/Committee Memberships.

- I. The Present Board of Directors of the Company consists of 3 directors, with Executive Chairman and two Independent Directors.
- II. The names, categories of the directors on the Board, their attendance at Board Meetings held during the year and other necessary details are as under:

#### ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING.

- III. During the year, Six Meetings of Board of Directors were held and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are 13.05.2013, 14.08.2013, 30.08.2013, 14.11.2013, 11.01.2014, and 12.02.2014.

Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 30.09.2013
Mr.Mahendrabhai S. Bhalavat(CMD)	Promoter-Executive-	6	Yes
Mr.Atulbhai J. Shah	Non-Executive-Independent	6	Yes
Mrs.SwetabenR. Shah	Non-Executive-Independent	6	Yes

None of the Directors hold Directorship in any other Public Limited Company (excluding Private Limited Companies), Foreign Companies and Companies u/s 25 of the Companies Act, 1956.

None of the Directors is a member of Board or Board Level Committees of any Public Limited Company.

- IV. None of the non - executive independent directors have any material pecuniary relationship or transactions with the Company.
- V. Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board from time to time for their consideration.
- VI. As per the provisions of the Companies Act, 2013, none of the directors of the Company are liable to retire by rotation.



### 3. AUDIT COMMITTEE

#### Broad Terms of Reference

The Audit Committee of the Company, inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. The Terms of Reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (ii) of the Listing Agreement and as specified by the Board of Directors of the Company and inter-alia includes;

- reviewing the Company's financial reporting process and the disclosure of its financial information.
- recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment for other services.
- reviewing the quarterly and annual financial statements with primary focus on Accounting policies and practice, compliance with accounting standards and legal requirements concerning financial statements.
- reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- reviewing the reports by the statutory auditors and ensure suitable follow -up thereon.

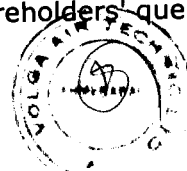
The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended 31<sup>st</sup> March, 2013.

#### COMPOSITION

- I. The Audit Committee comprised of Two Non - Executive Independent Directors and one Promoter Director. The Members of the Audit Committee are Mr. A.J. Shah, Mr. M. S. Bhalavat and Mrs. S.R. Shah.
- II. The Composition of the Audit Committee and particulars of Meetings attended by the members of the Audit Committee are given below.

Name of the Director	Category	No. of Meetings	
		Held	attended
Mr. Atulbhai J. Shah - Chairman	Independent	5	5
Mr. Mahendrabhai Bhalavat- Member	Promoter- Non Independent	5	5
Mrs. Swetaben R. Shah - Member	Independent	5	5

- III. Five Meetings of Audit Committee were held during the year. The dates of Audit Committee Meetings were 13.05.2013, 14.08.2013, 30.08.2013, 14.11.2013, and 12.02.2014.
- IV. The Chairman of the Committee was present at the Annual General Meeting of the Company held on 30.09.2013 to attend the shareholders' queries.



#### 4. REMUNERATION COMMITTEE

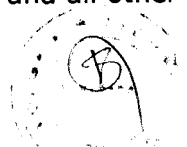
- I. The Remuneration Committee comprised of Two Non-Executive Independent Directors and one Promoter Director. The Members of the Remuneration Committee were Mr. A.J. Shah, Mr. M. S. Bhalavat and Mrs. S.R. Shah.
- II. Remuneration Committee considers the terms and conditions governing the appointment/ remuneration of Executive Directors as well as Senior Management Cadre. The same are subsequently submitted for approval of the Board, Shareholders and Central Government, if necessary.
- III. The Company paid sitting fees at the rate of Rs.250/- per Board Meeting up to 31.12.2009, to all its independent Non- Executive Directors. At the Board Meeting held 30<sup>th</sup> Jan. 2011, it was unanimously decided by the Directors to forgo sitting fees even for Board Meeting. No fees are paid for Committee Meetings attended by the Directors.
- IV. Remuneration to Directors paid during the Financial Year 2013-14.

Name of the Director	Designation	Salary and other Benefits (Rs.)	Sitting Fees (Rs.)	Service Contract/Notice period
Mr. Atulbhai J. Shah	Chairman	Nil	Nil	Retirement by Rotation
Mr. Mahendrabhai S. Bhalavat	Member	Nil	Nil	Contractual*
Mrs. Swetaben R. Shah	Member	Nil	Nil	Retirement by Rotation

- V. The term of appointment of M.D. Shri M.S. Bhalavat expired on 31<sup>st</sup> May, 2012. In the board meeting held on 30<sup>th</sup> May, 2014, he was further reappointed as a Managing Director for a further period of three years w.e.f. 1<sup>st</sup> June, 2014 without any remuneration and he shall be liable to retire by rotation.

#### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

- I. The Shareholders/Investors Grievance Committee was constituted by the Board of Directors of the Company at their meeting held on 28.10.2004. The Committee comprised of two Non-Executive Independent Directors viz. Mr. A.J. Shah, and Mrs. S.R. Shah to look into the redressal of complaints of shareholders regarding transfer of shares or demat requests, non- receipt of Annual Report / Notice/Dividend etc.
- II. As Company has not received any complaint, the Committee has not met during the year under review.
- III. Name and designation of Compliance Officer:  
Name : Mr. M. S. Bhalavat  
Designation : Managing Director
- IV. Details of Complaints: The Company has not received any Complaint from the Investors during the financial year under review.
- V. The Board of Directors of the Company has constituted Committees of two/three Directors to deal with the various matters relating to:
  - transfer/transmission of shares;
  - issue of new and duplicate share certificates;
  - dematerialisation/rematerialisation of shares and all other related matters;





Details of transfer/transmission/demat/remat of shares approved by the Committee of Directors are placed at the very first Board Meeting held thereafter.

## COMPOSITION

Any two directors of the Company form the Committee of Directors for Transfer, Transmission, Deletion, Demat/Remat and any three Directors form Committee for matters involving issue of split/Duplicate/Replacement of Share Certificates.

## VII.CODE OF CONDUCT AND BUSINESS ETHICS:

The Company has laid down Code of Conduct and business ethics for its Board Members and Senior Management. This Code of Conduct and business ethics lays down various principles and guidelines, aimed at improving and enhancing the corporate relations with its stakeholders. The said Code of Conduct has been communicated to the directors and the members of the senior management and they have confirmed compliance with the said Code of Conduct.

## 6. GENERAL BODY MEETINGS

1. All the General Body Meetings during the last three years were held at the Registered Office of the Company at Plot No.472 & 478, Village Changodar, Ta: Sanand, Dist.: Ahmedabad.

II. The details of 3 Annual General Meetings are as under:

Financial Year	No. of A.G.M	Date of Meeting	Time
2010 - 11	Eighteenth	30 <sup>th</sup> September, 2011	11.00 a.m.
2011 - 12	Nineteenth	29 <sup>th</sup> September, 2012	11.00 a.m.
2012 - 13	Twentieth	30 <sup>th</sup> September, 2013	11.00 a.m.

III. No Extra Ordinary General Meeting of Shareholders was convened during the year under review. No Resolution has been put through Postal Ballot.

## 7. DISCLOSURES

- None of the Directors had any pecuniary transaction or relationship with the Company during the year under review.
- There were no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. However, they have been disclosed in the Annual Report
- In the preparation of accounts, the prescribed Accounting Standard has been followed.
- Necessary compliance as per Listing Agreement are made up to financial year 2011-12 except non payment of Listing Fees of Stock Exchange Ahmedabad due to paucity of fund. However compliance as per Listing Agreement for the financial year 2012-13 is pending.
- The Bombay Stock Exchange Limited was approached with a request for revocation from suspension of trading of Equity Shares of the Company. However, it has not been acceded to.
- The Company applied to Ahmedabad Stock Exchange for delisting of Equity Shares of the Company. The delisting panel of ASE has perused the application and requested to clear



outstanding Listing Fees. Relief for waiver is included in the Draft Rehabilitation Scheme submitted to BIFR.

- g. Secretarial Audit: Pursuant to Regulation 55A of SEBI (Depositories and Participants) regulations, 1996, certification is done by Company Secretary- in - Practice for timely dematerialization of the Shares of the Company. Further, reconciliation of share capital audit on a quarterly basis for of the Company is also done.

## 8. MEANS OF COMMUNICATION

The Quarterly Results are being sent to the Ahmedabad and Mumbai Stock Exchanges within stipulated period as required under Clause 41 of the Listing Agreement. These Results could not be published by the Company in the News Papers due to financial Crises. The Quarterly Results are being placed on the Company's Website, [www.volgasolar.in](http://www.volgasolar.in)

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### Business Segments

The Company was engaged in Sheet Metal Fabrication and Manufacturing of A.C, A.C. Kits, Water Coolers, Fans - Blowers etc. Due to lack of sufficient orders to meet the bare minimum expenses, the Company has to discontinue its operations and relieve the work force from 22<sup>nd</sup> Nov. 2009.

## 10. GENERAL SHAREHOLDER INFORMATION

- I. Registered Office  
Plant location and  
Address for correspondence : Plot No.472,478, Tajpur Road,  
Opp. M.N. Desai Petrol Pump,  
Changodar Village,  
Sarkhej - Bavla Highway,  
Dist: Ahmedabad. Pin Code -382213  
Phone: 02717-250418
- II. Year ending : March 31st
- III. Annual General Meeting : Date : 29<sup>nd</sup> September,2014, Monday  
Time : 12.00 noon  
Venue : Registered office of the Company.
- IV. Date of Book Closure : 22<sup>nd</sup> September, 2014 to 29<sup>th</sup> September, 2014
- V. Listing on Stock Exchanges : Equity Shares of the Company are listed on  
Ahmedabad Stock Exchange and Bombay Stock Exchange.  
But the Company has applied for delisting from the Stock  
Exchange, Ahmedabad.
- VI. Stock Code : The Stock Exchange Ahmedabad - 65915  
The Bombay Stock Exchange - 7014  
NSDL/CDSL-ISIN - INE 719B01015
- VII. Market Price Data : The shares have been suspended from trading by BSE &  
ASE. Request for revocation to BSE has not been acceded  
to.



## VIII. REGISTRAR AND SHARE TRANSFER AGENT:

Purva Sharegistry (India) Pvt. Ltd.  
9, Shiv Shakti Industrial Estate,  
J.R. Boricha Marg, Opp.Kasturba Hospital,  
Lower Parel (East), Mumbai - 400 011.  
Telephone No.: (022) 23018261, Fax No.: (022) 23016761, Email: basicomp@vsnl.com

## IX. SHARE TRANSFER SYSTEM

The Registrar and Share Transfer Agents Purva Sharegistry (India) Pvt. Ltd.; Mumbai are authorised by the Board for processing of share transfers which are approved by the Company's Share Transfer committee.

Share transfer requests are processed and share certificates duly transferred are dispatched to the shareholders within a fortnight.

Share Transfer Committee Meetings are held fortnightly.  
All valid requests for dematerialization of shares are processed and confirmation is given to the depositories within 21 days.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half- yearly basis, have been issued by a Company Secretary - in- Practice for due compliance of share transfer formalities of the Company.

## X. Distribution of shareholding as on 31st March, 2014.

No. of Equity shares held	No. of Shareholders	Percentage of Shareholders	Shareholding No. of Shares	Percentage of Shareholding
Up to 500	6434	86.14 %	1370379	16.86%
501 to 1000	454	6.08%	383100	4.71%
1001 to 2000	260	3.48%	411150	5.06%
2001 to 3000	92	1.23%	22642	2.79%
3001 to 4000	33	0.44%	11465	1.41%
4001 to 5000	50	0.67%	23940	2.95%
5001 to 10000	67	0.90%	511400	6.54%
10000 and above	79	1.06%	5393424	59.68%
Total	7469	100%	8127500	100%

## XI. Shareholding Pattern as on 31st March, 2014.

Sr. no.	Category	No Of Shares Held	% of Holding
1.	Promoters Indian Promoters Foreign Promoters	1605570 1824730	19.75 22.45
2.	Mutual Funds and UTI	4100	0.05
3.	Bank, Financial Institutions, Insurance Companies	50000	0.62
4.	Foreign Institutional Investors	0	0
5.	Body Corporate	561400	06.91
6.	Indian Public	3780820	46.52
7.	NRIs / OCBs	262700	03.23
8.	GDR / ADR	0	0
9.	Others-Trusts and HUF	38180	0.47
	<b>Grand Total</b>	<b>8127500</b>	<b>100</b>



## **XII. Dematerialisation of Shares**

Trading of Equity Shares of the Company is permitted only in Dematerialized Form. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited, whereby the investors have the option to dematerialise their shares with either of the depositories. About 33.19% of the equity shares of the Company has been dematerialised as on 31st March, 2014.

### **11. COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Report of the Company.

**For and on behalf of the Board**



**Mahendra S. Bhalavat  
Chairman & Managing Director**

**Place : Ahmedabad  
Date : 30/05/2014**

## AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE

**To the Members of  
Volga Air Technics Limited**

We have examined the compliance of conditions of Corporate Governance by Volga Air Technics Limited ("the Company") for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

Place : Ahmedabad  
Date : 30/05/2014



For S.N.Mehta & Associates  
Chartered Accountants

*S.N. Mehta*  
S.N.Mehta  
Proprietor  
Membership No.9057

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL.

This is to certify that the Company has adopted a code of conduct for directors and senior management personnel.

I confirm that the Company has in respect of the financial year ended on March 31, 2014, received from the members of the board and senior management personnel a declaration of compliance with the code of conduct as applicable to them.

Place : Ahmedabad  
Date : 30/05/2014



**For & on behalf of the Board**

*Mahendra S. Bhalavat*

**Mahendra S.Bhalavat  
Chairman & Managing Director**

To  
The Board of Directors  
Volga Air Technics Limited  
Plot No.472-478,  
Opp.M.N.Desai Petrol Pump,  
Sarkhej - Bavla Highway,  
Tajpur Road,  
Village - Changodar - 382213  
Taluka - Sanand,  
District - Ahmedabad

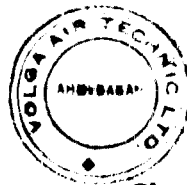
**CEO/CFO Certification - Clause 49(V)  
of the Listing Agreement of Stock Exchange**

Dear Sirs,

As required under Clause 49 (V) of the Listing Agreement, this is to certify that

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of my knowledge and belief:
- (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee
- (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**For & on behalf of the Board**



A handwritten signature in black ink, appearing to read "Mahendra S. Bhalavat".

**Mahendra S. Bhalavat  
Chairman and Managing Director  
(DIN 139078)**

**Place : Ahmedabad  
Date : 30/05/2014**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF VOLGA AIR TECHNICS LIMITED.

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **VOLGA AIR TECHNICS LIMITED** ("THE COMPANY") which comprise the balance sheet as at 31<sup>st</sup> March 2104, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENTS RESPONSIBILTY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these 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 Standards referred to in sub section (3C) of the section 211 of the Companies Act,1956("the Act)read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 .since the production activities are suspended from 22/11/2009. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Accounting Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments , the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances,( since the production activities are suspended from 22.11.2009) but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### OPINION:

In our opinion and to the best of our information and explanations given to us, the financial statements give the information required by the Act in the manner required and to give a true and fair view in conformity with the accounting policies generally accepted in India:

- (i) In the case of the balance sheet , of the state of affairs of the Company as at 31<sup>st</sup> March 2014
- (ii) In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) In case of the cash flows statement, of the cash flows for the year ended on that date.

(23)



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order ,2003("the Order"),as amended, issued by the Central Government of India in terms of sub section (4A) of the section 227 of the Act, We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have 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 account as required by law have been kept by the company so far as appears from our examination of those books;
  - (c) The Balance sheet, profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in the sub section (3c) of the section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in Respect of section 133 of the Companies Act, 2013., and
  - (e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director I terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) Attention is invited to following notes in schedule-1(A)(7).

Note No.7.

1. Non provision of interest on term loan & CC limits granted by financial corporation GIIC, IDBI and CENTRAL BANK OF INDIA.

PLACE:-AHMEDABAD  
DATE :-20.08.2014



FOR,S.N MEHTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG NO 106306W

*S.N Mehta*  
(S.N MEHTA)  
Proprietor  
M.NO 9057

(24)





## ANNEXURE TO THE AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order, 2003 and According to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we report that:

The nature of Company's activities during the year has been such that clauses (xii), (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;  
  
(b) As explained to us, the assets have been physically verified by the management in accordance with a phased programmed of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.  
  
(c) In our opinion and according to the information and explanation given to us, the Company has not disposed off any fixed assets during the year.
- 2) There is no inventory during the year hence there is no question of verification thereof.
- 3) (a) In our Opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured from the companies, firms, other parties covered in the register maintained under the section 301 of the Act.  
  
(b) In our Opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from the companies, firms, or the parties covered in the register maintained under the section 301 of the Act.  
  
(c) There is no unsecured loan to the employee and others.
- 4) The Company has suspended production from 22.11.2009 and hence there are no transactions. during the year Company has Interest Income Only.
- 5) Company has no Purchase/Sales during the year.
- 6) According to information & explanation given to us, except the loan from body corporate obtained in earlier years the company does not have any deposit from the public. There is no stipulation as regards payment of interest & also the time of re-payment and therefore in our honest belief & opinion provisions of section 58A & 58aa of the Companies Act, 1956 & the Companies (acceptance of deposit) rules 1975 are not applicable to the company.
- 7) In our opinions, there is no Business activity during the year. Hence there is no requirements of internal audit.
- 8) There are no manufacturing activities carried out by the Company for Air Conditioners, as such there is no need to review the cost record.
- 9) (a) According to the record of the company there are no undisputed statutory dues such as interest, provident fund and sales tax. Since no interest is payable during the year, there are no employees in the company and there is no business during the year and hence there are no statutory dues as regards Service tax, Customs duty, Excise duty cess. There is no statutory dues as regards wealth tax. According to the information and explanation given to us no undisputed amount are outstanding as at 31 march 2014.  
  
(b) Disputed sales tax not deposited have been disclosed in note 9 under the head contingent liabilities not provided for the in the notes to the accounts under schedule 1 (B).

(25)



- 10) The Company has accumulated losses & company has incurred loss in the current financial year and has loss also in the immediately preceding financial year.
- 11) The Company has defaulted in repayment of its dues to the Bank and financial Institutions. The unpaid amount is Rs. 10, 13, 80,064 and 42, 25,101.As per Note 5 of the Balance sheet. The Loans were obtained during the period 1994-1995 and 1995-1996.The Company has not provided and defaulted in payment of interest.
- 12) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 13) In our Opinion and according to the information and explanations given to us, the Company has not obtained term loans during the year.
- 14) According to the information and explanations given to us, and an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on the short term basis have not been used for long-term investment.
- 15) According to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the order are not applicable.
- 16) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under the Section 301 of the Act, 1956 during the year.
- 17) No debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
- 18) The Company does not have secretary from 1.3.2010.
- 19) The company has not raised any money by public issues during the year.
- 20) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

PLACE:-AHMEDABAD  
DATE :-20.08.2014



FOR, S.N MEHTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG NO 106306W

*S.N. Mehta*  
(S.N MEHTA)  
Proprietor  
M.NO.9057

(26)



**VOLGA AIR TECHNICS LIMITED**  
**BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	81,275,000.00	81,275,000.00
(b) Reserves and surplus	4	(184,594,404.00)	(183,962,588.00)
(c) Money received against share warrants			
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	115,881,286.00	115,540,380.00
(b) Deferred tax liabilities (net)	6		
(c) Other long-term liabilities	7		
(d) Long-term provisions			
<b>4 Current liabilities</b>			
(a) Short-term borrowings	8		
(b) Trade payables	9	1,712,089.00	1692178 .00
(c) Other current liabilities	10	9,663,830.00	9684460 .00
(d) Short-term provisions	11		
<b>TOTAL</b>		<b>23,937,801.00</b>	<b>24,229,430.00</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	22,557,152.00	22557152 .00
(ii) Intangible assets	12.B		
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(v) Fixed assets held for sale			
(b) Non-current investments	13	309,790.00	349900 .00
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	14	446,231.00	446,646.00
(e) Other non-current assets			
<b>2 Current assets</b>			
(a) Current investments	16		
(b) Inventories	17		
(c) Trade receivables	18	256,426.00	256,426.00
(d) Cash and cash equivalents	19	352,838.00	607,457.00
(e) Short-term loans and advances	20	15,364.00	11,849.00
(f) Other current assets	21		
<b>TOTAL</b>		<b>23,937,801.00</b>	<b>24229430 .00</b>
See accompanying notes forming part of the financial statements			

AS PER REPORT OF EVEN DATE  
 For, S.N. MEHTA & ASSOCIATES  
 Chartered Accountants  
 FIRM REG NO. 106306W



For, S.N. MEHTA M.NO 009057  
 Proprietor

Place AHMEDABAD  
 Date: 20.08.2014



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

*(Signature)*  
 M.S Bhalavat  
 Chairman & Managing Director

*(Signature)*  
 A.J Shah  
 Director  
 Place: Changodar  
 Date: 20.08.2014

*(Signature)*  
 Mrs. S.R. Shah  
 Director

**VOLGA AIR TECHNICS LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2014	31 March, 2013
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	22		
Less: Excise duty	22		
Revenue from operations (net)			
2 Other income	23	35148.00	567287.00
3 Total revenue (1+2)		<b>35148.00</b>	<b>567287.00</b>
4 Expenses			
(a) Cost of materials consumed	24.a		
(b) Purchases of stock-in-trade	24.b		
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.c		
(d) Employee benefits expense	25		
(e) Finance costs	26	12346.00	48.00
(f) Depreciation and amortisation expense	12.C		
(g) Other expenses	27	654618.00	638083.00
Total expenses		<b>666964.00</b>	<b>638131.00</b>
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		- 631,813.00	-70,844.00
6 Exceptional items	28.a		
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		- 631,813.00	-70,844.00
8 Extraordinary items	28.b		
9 Profit / (Loss) before tax (7 ± 8)		- 631,813.00	-70,844.00
10 Tax expense:			
(a) Current tax expense for current year			
(b) (Less): MAT credit (where applicable)			
(c) Current tax expense relating to prior years			
(d) Net current tax expense			
(e) Deferred tax			
11 Profit / (Loss) from continuing operations (9 ± 10)		- 631,813.00	-70,844.00
<b>B DISCONTINUING OPERATIONS</b>			
12.i Profit / (Loss) from discontinuing operations (before tax)	30.11		
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	30.11		
12.iii Add / (Less): Tax expense of discontinuing operations	30.11		
(a) on ordinary activities attributable to the discontinuing operations			
(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)	30.11		
<b>C TOTAL OPERATIONS</b>			
14 Profit / (Loss) for the year (11 ± 13)			
15.i Earnings per share (of ₹ ___/- each):			
(a) Basic			
(i) Continuing operations	30.9.a		
(ii) Total operations	30.9.b		
(b) Diluted			
(i) Continuing operations	30.9.e		
(ii) Total operations	30.9.f		
15.ii Earnings per share (excluding extraordinary items) (of ₹ ___/- each):			
(a) Basic			
(i) Continuing operations	30.9.c		
(ii) Total operations	30.9.d		
(b) Diluted			
(i) Continuing operations	30.9.g		
(ii) Total operations	30.9.h		

See accompanying notes forming part of the financial statements

AS PER REPORT OF EVEN DATE  
 For, S.N. MEHTA & ASSOCIATES  
 Chartered Accountants  
 FIRM REG NO. 106306W



For, S.N. MEHTA M.NO 009057  
 Proprietor  
 Place : Ahmedabad  
 Date : 20.08.2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



M.S BHALAVAT  
 Chairman & Managing Director

A.J Shah  
 Director  
 Place: Changodar  
 Date : 20.08.2014

Mrs. S.R.Shah  
 Director

NOTE 3 SHARE CAPITAL

PARTICULARS	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
	9,000,000.00	90,000,000.00	9,000,000.00	90,000,000.00
A. AUTHORISED EQUITY SHARE OF RS. 10 EACH				
B. ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL EQUITY SHARE OF RS. 10 EACH	8,127,500.00	81,275,000.00	8,127,500.00	81,275,000.00
	8,127,500.00	81,275,000.00	8,127,500.00	81,275,000.00
RECONCILIATION IF SHARE OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORT DATE				
AT THE BEGINNING OF THE PERIOD	8,127,500.00	81,275,000.00	8,127,500.00	81,275,000.00
OUTSTANDING AT THE END OF PERIOD	8,127,500.00	81,275,000.00	8,127,500.00	81,275,000.00
LIST OF SHARE HOLDERS MORE THAN 5% SHARE IN THE COMPANY	NO.OF SHARES	PERCENTAGE %	NO.OF SHARES	PERCENTAGE %
GUJARAT INDUSTRIAL INVESTMENT CORPORATION	501,200	6.17	501,200	6.17



(29)

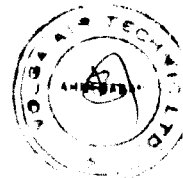


**Note 4 Reserves and surplus**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
(a) Capital reserve		
Opening balance		
Add: Additions during the year (give details)		
Less: Utilised / transferred during the year (give details)		
Closing balance		
(b) Capital redemption reserve		
Opening balance		
Add: Additions during the year		
Transferred from surplus in Statement of Profit and Loss		
Others (give details)		
Less: Utilised during the year (give details)		
Closing balance		
(c) Securities premium account		
Opening balance		
Add : Premium on shares issued during the year		
Less : Utilised during the year for:		
Issuing bonus shares		
Writing off preliminary expenses		
Writing off shares / debentures issue expenses		
Premium on redemption of redeemable preference shares / debentures		
Buy back of shares		
Others (give details)		
Closing balance		
(d) Debenture redemption reserve		
Opening balance		
Add: Additions during the year		
Transferred from surplus in Statement of Profit and Loss		
Others (give details)		
Less: Utilised / transferred during the year (give details)		
Closing balance		
(e) Revaluation reserve		
Opening balance		
Add: Addition on revaluations during the year	604,293.00	604,293.00
Less: Utilised for set off against depreciation		
Written back / other utilisations during the year (give details)		
Closing Balance	604,293 .00	604,293 .00
(f) Share options outstanding account		
Opening balance		
Add: Amounts recorded on grants/modifications/cancellations during the year		
Less: Written back to Statement of Profit and Loss during the year		
Transferred to Securities premium account		
Less: Deferred stock compensation expense		
Closing balance		
(g) General reserve		
Opening balance		
Add: Transferred from surplus in Statement of Profit and Loss		
Less: Utilised / transferred during the year for:		
Issuing bonus shares		
Others (give details)		
Closing balance		
(h) Foreign currency translation reserve		
Opening balance		
Add / (Less): Effect of foreign exchange rate variations during the year		
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations		
Closing balance		



(30)



Note 4 Reserves and surplus (contd.)

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
(i) Hedging reserve		
Opening balance		
Add / (Less): Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year		
Add / (Less): Transferred to Statement of Profit and Loss		
Closing balance		
(j) Other reserves (specify the nature and purpose of each reserve)		
Opening balance		
Add: Additions / transfers during the year		
Less: Utilisations / transfers during the year		
Closing balance		
(k) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(184,566,881.00)	(184,492,582.00)
Add: Profit / (Loss) for the year	(631,816.00)	(70,844.00)
Amounts transferred from:		(3,455.00)
General reserve		
Other reserves (give details)		
Less: Interim dividend		
Dividends proposed to be distributed to equity shareholders (₹___ per share)		
Dividends proposed to be distributed to preference shareholders (₹___ per share)		
Tax on dividend		
Transferred to:		
General reserve		
Capital redemption reserve		
Debenture redemption reserve		
Other reserves (give details)		
Closing balance	(185,198,697.00)	(184,566,881.00)
<b>Total</b>	<b>(184,594,404.00)</b>	<b>(183,962,588.00)</b>



(31)



**Note 5 Long-term borrowings**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
(a) Bonds / debentures (Refer Note (i) below)		
Secured		
Unsecured		
(b) Term loans		
From banks		
Secured		
1.I.D.B.I LOAN	22804277 .00	22804277 .00
(SECURED BY PARI PASSU CHARGES OF ALL PRESENT & FUTURE PROPERTIES ,&MORTGAGE OF IMMOVABLE PROPERTIES & PERSONAL GUARANTEE OF ONE DIRECTOR & TWO EX DIRECTORS		
2.CENTRAL BANK OF INDIA	45907142 .00	45907142 .00
(WORKING CAPITAL FACULTIES)		
(SECURED BY HYPO.OF ALL STOCKS AND BOOK-BEDTH,SECOND		
CHARGE UPON THE IMMOVABLE PROPERTIES OF THE COMPANY&PERSONAL GUARANTEE OF ONE DIRECTOR &TWO EX DIRECTORS)		
Unsecured		
From other parties		
Secured		
1.GIIC LTD.		
Unsecured	32668645 .00	32668645 .00
(c) Deferred payment liabilities		
Secured		
Unsecured		
(d) Deposits		
Secured		
Unsecured		
(e) Loans and advances from related parties		
Secured		
Unsecured		
(f) Long-term maturities of finance lease obligations		
Secured		
Unsecured		
(g) Other loans and advances (specify nature)		
Secured		
Unsecured		
1.GICC Bills Discounting	4225101 .00	4225101 .00
(Secured by personal guarantee of one Director & two ex directors		
2.Nirav Enterprise Pvt.ltd	1100000 .00	1100000 .00
3.Meredlan Teleshot Ltd.	4263166 .00	3922260 .00
4.Loan From Directors	4912955 .00	4912955 .00
<b>Total</b>	<b>115,881,286 .00</b>	<b>115,540,380 .00</b>





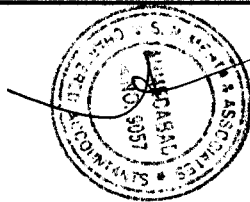
Note 9 Trade payables \*

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
<b>Trade Payables</b>		
1.Alpha nippon innovative	1,114,357.00	1,114,357.00
(A)	1,114,357.00	1,114,357.00
<b>OTHER THAN ACCEPTANCES</b>		
<b>CREDITORS FOR EXPENSES</b>		
(1) Alpha Nippon Innovatives	22,681.00	22,681.00
(2)The Stock Exchange Ahmedabad	120,000.00	120,000.00
(3)Provision for Auditors Remuneration	17,500.00	17,500.00
(4)Others	437,551.00	417,640.00
(B)	597,732.00	577,821.00
<b>Total(A+B)</b>	<b>1,712,089.00</b>	<b>1,692,178.00</b>



**Note 10 Other current liabilities**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
(a) Current maturities of long-term debt (Refer Note (i) below)		
(b) Current maturities of finance lease obligations (Refer Note 30.8.c)		
(c) Interest accrued but not due on borrowings		
(d) Interest accrued and due on borrowings		
(e) Income received in advance (Unearned revenue)		
(f) Unpaid dividends		
(g) Application money received for allotment of securities and due for refund and interest accrued thereon #		
(h) Unpaid matured deposits and interest accrued thereon		
(i) Unpaid matured debentures and interest accrued thereon		
(j) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)		
(ii) Payables on purchase of fixed assets		
(iii) Contractually reimbursable expenses		
(iv) Interest accrued on trade payables		
(v) Interest accrued on others		
(vi) Trade / security deposits received		
(vii) Advances from customers		
1. Alpha Nippon Innovative LTD.	842,765.00	842,765.00
(viii) Others (specify nature)		
Labour Welfare Fund	24.00	24.00
Leave salary payable	108,710.00	108,710.00
Provision for Bonus	196,578.00	196,578.00
Provision for Gratuity	478,902.00	478,902.00
Rakesh Gurjar	11,000.00	11,000.00
Sales Tax Payable(new)	87,395.00	87,395.00
Sales Tax Payable(old)	4,144,936.00	4,144,936.00
Unpaid Bonus	20,361.00	20,361.00
Unpaid Gratuity	3,753,679.00	3,793,789.00
TDS 2007-2008	19,480.00	-
	8,821,065.00	8,841,695.00
<b>TOTAL</b>	<b>9,663,830.00</b>	<b>9,684,460.00</b>

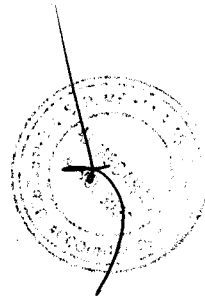


(34)



NOTE 12 FIXED ASSETS

GROSS BLOCK										
A. TANGIBLE ASSETS										
	BALANCE AS AT 1ST APRIL, 2013	ADDITIONS	DISPOSALS	ACQUISITIONS THROUGH BUSINESS COMBINATIONS	RECLASSIFIED AS HELD FOR SALE	REVALUATION INCREASE	EFFECT OF FOREIGN CURRENCY EXCHANGE DIFFERENCE	BORROWING COST CAPITALISED	OTHER ADJUSTMENT	BALANCE AS AT 31ST MARCH, 2014
A. LAND	4,994,667	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,994,667
B. BUILDING	11,203,193	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,203,193
C. PLANT & EQUIPMENTS	5,924,131	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,924,131
D. FURNITURE & FITTINGS	35,372	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,372
E. VEHICLES	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
OFFICE EQUIPMENTS	399,789	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	399,789
TOTAL	22,557,152									22,557,152



(35)

Note 13 Non-current investments

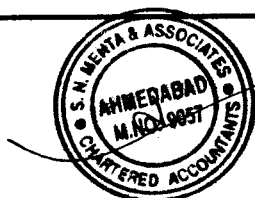
Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
	₹	₹	₹	₹	₹	₹
Investments (At cost):						
A. Trade @						
(a) Investment in equity instruments (give details separately for fully / partly paid up instruments) (i) of subsidiaries E.g., 5,000 (As at 31 March, 20X1: 4,000) shares of ₹ 10 each fully paid up in ABC Ltd. E.g., 2,500 (As at 31 March, 20X1 : 1,000) shares of ₹ 10 each, partly paid up ₹ 5 (As at 31 March, 20X1 : ₹ 3) in ABC Ltd. (ii) of associates (iii) of joint venture companies (iv) of controlled special purpose entities (v) of other entities (give details)						
(b) Investment in preference shares (give details separately for fully / partly paid up shares) (i) of subsidiaries (ii) of associates (iii) of joint venture companies (iv) of controlled special purpose entities (v) of other entities (give details)						
(c) Investment in debentures or bonds (give details separately for fully / partly paid up debentures / bonds) (i) of subsidiaries (ii) of associates (iii) of joint venture companies (iv) of controlled special purpose entities (v) of other entities (give details)						
(d) Investment in partnership firms (Refer Note below)						
(e) Other non-current investments (specify nature) L.I.C Gratuity Fund		309,790.00	309,790.00		349,900.00	349,900.00
<b>Total - Trade (A)</b>		<b>309,790.00</b>	<b>309,790.00</b>		<b>349,900.00</b>	<b>349,900.00</b>



(36)

## Note 14 Long-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
(a) Capital advances *		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful advances		
(b) Security deposits		
Secured, considered good		
Unsecured, Considered goods		
GEB security Deposit	413,500 .00	413,500 .00
UGVCL	31,731 .00	32,146 .00
Doubtful		
Less: Provision for doubtful deposits	445,231 .00	445,646 .00
(c) Loans and advances to related parties (give details @) (Refer Note 30.7)		
Secured, considered good		
Unsecured, considered good		
Trust Volga Air Technics LTD. EGGS	1000 .00	1000 .00
Doubtful		
Less: Provision for doubtful loans and advances		
	1000 .00	1000 .00
(d) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
(e) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
(f) Advance income tax # (net of provisions ₹ ___ (As at 31 March, 20X1 ₹ ___)) - Unsecured, considered good		
(g) MAT credit entitlement # - Unsecured, considered good		
(h) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable		
(iii) Service Tax credit receivable		
(i) Other loans and advances (specify nature)		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for other doubtful loans and advances		
<b>Total</b>	<b>446,231.00</b>	<b>446,646.00</b>



(37)



## Note 18 Trade receivables

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good		
Unsecured, considered good		
1) Alpha Nippon Innovative	223,195 .00	223,195 .00
2) Steel Fab India	33,231 .00	33,231 .00
Doubtful		
Less: Provision for doubtful trade receivables		
	256,426 .00	256,426 .00
Other Trade receivables		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful trade receivables		
<b>Total</b>	<b>256,426.00</b>	<b>256,426.00</b>

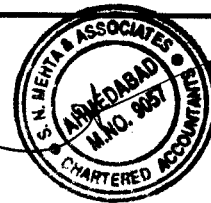


(38)



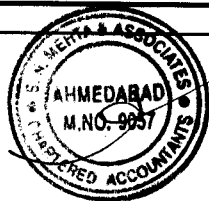
**Note 19 Cash and cash equivalents**

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		₹	₹
	(a) Cash on hand	348,753.00	6,02,553
	(b) Cheques, drafts on hand		
	(c) Balances with banks		
	(i) In current accounts		
	1) Vijaya Bank	4,085.00	4,904.00
	(ii) In EEFC accounts		
	(iii) In deposit accounts (Refer Note (i) below)		
	(iv) In earmarked accounts		
	- Unpaid dividend accounts		
	- Unpaid matured deposits		
	- Unpaid matured debentures		
	- Share application money received for allotment of securities and due for refund		
	- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)		
	- Other earmarked accounts (specify) (Refer Note (ii) below)		
	(d) Others (specify nature)		
	<b>Total</b>	<b>352,838.00</b>	<b>607457 .00</b>
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		



**Note 20 Short-term loans and advances**

Particulars	As at 31 March, 2014	As at 31 March, 2013
	₹	₹
(a) Loans and advances to related parties (give details @) (Refer Note 30.7)		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
(b) Security deposits		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful deposits		
(c) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful loans and advances		
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable		
(ii) VAT credit receivable		
(iii) Service Tax credit receivable		
(f) Inter-corporate deposits		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful inter-corporate deposits		
(g) Others (specify nature)		
1) TDS on FD Int 2011-2012	2959 .00	2959 .00
2) TDS Recoverable	12405 .00	8890 .00
Secured, considered good		
Unsecured, considered good		
Less: Provision for other doubtful loans and advances		
	15346 .00	11849 .00
<b>Total</b>	<b>15,346.00</b>	<b>11,849.00</b>



(40)





Note 23 Other income

	Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
		₹	₹
(a)	Interest income	35,148 .00	44,214 .00
(b)	Sundry Debit/Credit bal.write off		523,073 .00
		35,148 .00	567,287 .00
	<b>TOTAL</b>	<b>35,148 .00</b>	<b>567,287 .00</b>
	<b>Total</b>		

Note	Particulars	For the year ended 31 March, 20X2	For the year ended 31 March, 20X1
		₹	₹
(i)	Interest income comprises: Interest from banks on: deposits other balances Interest on loans and advances Interest on overdue trade receivables Interest income from current investments subsidiaries joint ventures associates others Interest income from long term investments subsidiaries joint ventures associates others Interest on income tax refund Other interest		
	<b>Total - Interest income</b>		



(41)



Note 23 Other income (contd.)

	Note	Particulars	For the year ended	For the year ended
			31 March, 20X2	31 March, 20X1
			₹	₹
	(ii)	Other non-operating income comprises: Rental income from investment properties Rental income from operating leases Profit on sale of fixed assets [net of expenses directly attributable ₹ ____ (Year ended 31 March, 20X1 ₹ ____)]  Share of profit from partnership firms # Share of profit from AOPs # Share of profit from LLPs * Liabilities / provisions no longer required written back Prior period items (net) (Refer Note (iii) below)  Miscellaneous income [net of expenses directly attributable ₹ ____ (Year ended 31 March, 20X1 ₹ ____)]  <b>Total - Other non-operating income</b>		
	(iii)	Details of Prior period items (net)  Prior period income (give details) Prior period expenses (give details)  Total		



(42)



## NOTE 26 Finance Cost

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(a) Interest Expense on:		
Interest	12,075 .00	48 .00
Bank Commission	271 .00	
<b>TOTAL</b>	<b>12,346 .00</b>	<b>48 .00</b>



(43)



**NOTE 27 Other Expenses**

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Electrical Exps.	---	6160 .00
Entertainment Exps.	---	5200 .00
Stationery Exps.	3314 .00	7184 .00
Telephone & Postage Exps.	1036 .00	1527 .00
Professional charges	89929 .00	100272 .00
Motor Car Exps.	49032 .00	55472 .00
Auditor"s Remuneration	17500 .00	17500 .00
Miscelleneos Exps.	1489 .00	20307 .00
CST Difference	11665 .00	---
Legal Exps.	4700 .00	2920 .00
Electricity Exps.	406436 .00	322392 .00
Travelling Exps.	18388 .00	91709 .00
Kasar	- 500 .00	- 11509 .00
P F Damages	---	252 .00
Service Tax	6798 .00	3100 .00
Share Transfer Exps.	21331 .00	15597 .00
Filing Fees	23500 .00	---
<b>TOTAL</b>	<b>654618 .00</b>	<b>638083 .00</b>

FOR, S.N MEHTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG NO 106306W

FOR AND BEHALF OF THE BOARD  
OF DIRECTORS

*S.N Mehta*



*M.S Bhalavat*

M.S BHALAVAT  
CHAIRMAN & MANAGING DIRECTOR

(S.N MEHTA)  
Proprietor  
M.NO 9057

*A.J. Shah*  
AJ SHAH  
(DIRECTOR)

*S.R. Shah*  
MRS.S.R SHAH  
(DIRECTOR)

PLACE:-AHMEDABAD  
DATE :-20.08.2014

PLACE:-AHMEDABAD  
DATE :-20.08.2014

# VOLGA AIR TECHNICS LIMITED

## NOTES ON ACCOUNTS & ACCOUNTING POLICIES

### NOTE 1

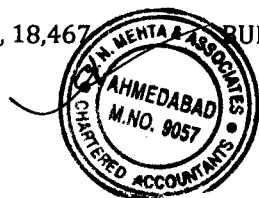
#### **(A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :**

1. The Books of Accounts are maintained on Accrual Basis.
2. Fixed Assets are stated at cost price net of MODVAT except the Land & Building which are revalued (They are stated at Revalued amounts).
3. The Long Term Borrowings from Financial Institutions as per Note - 5 i.e . . . Term Loan from IDBI & GIC. Working Capital Loan from Central Bank of India. Bill Discounting facility from GIC Ltd. Were due for payments before 31.03.2002. However, as the Company is registered with BIFR and as such the financial institutions are not in a position to recover the loans till final order will be passed by BIFR. These loans including such corporate loans and loans from Directors are treated as Long Term Borrowings since it is not known when final order will be passed by BIFR.
4. Company has suspended (Stopped) the production from 22.11.2009 and as such Depreciation for plant & machinery is not provided.
5. Due to Suspension of production, no depreciation is providing during the year including depreciation on revalued assets.
6. Prior Period Adjustment: The Company continues to follow the practice of making adjustment through 'Prior Years Adjustments' in respect of all material transactions pertaining to the period prior to current accounting year. However, there is no Prior Period Adjustment.
7. (a) The Company has not provided interest on term loan of financial institutions - IDBI & GIC, CC Limit of Central Bank of India and unsecured loans. (The amount of interest on term loan from IDBI and GIC no calculation has been made by Company. Since the matter is pending before BIFR for final disposal.

#### **(B) NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

1. Figures are regrouped / rearranged wherever they are necessary.
2. During the year, due to carried forward loss, Company has not provided taxation in the Books of Accounts including deferred tax liability as the Company does not estimate any such liability in the near future.
3. The Company has revalued its Land & Building of both the units at Changodar, Tal Sanand Dist. Ahmedabad effective 27.03.1998 on the basis of the Valuation Report from the Approved Valuer Shri B R Rami. Ahmedabad on the basis of then prevailing market rates of Land & Building on revaluation. The following revalued amounts were substained for the historical Cost in the gross block of Fixed Assets.

LAND Rs .2, 53, 18,467 BUILDING Rs. 5, 05, 33,487.



(45)



The Revaluation pertaining to assets which were sold during year 2006-2007 was reversed. The Balance amount is as under (Revaluation with Cost.)

LAND Rs. 44, 94,667

BUILDING Rs. 2, 10, 87,704.

**4. BUSINESS SEGMENT**

The Company has suspended business activities and hence no business segment.

**5. RELATED PARTY DISCLOSURES**

( I )The Company neither has Holding. Subsidiary or fellow subsidiary Company nor it is a holding or Fellow Company.

( II )There is no related party transaction during the year 2013-2014.

6. EARNING PER SHARES	2013-2014	2012-2013
(A) NET PROFIT / (LOSS)	(631816)	(70844)
(B)WEIGHTED AVERAGE NO OF EQUITY SHARES OF RS 10 EACH OUTSTANDING DURING THE YEAR (NO OF SHARES)	8127500	8127500
( C )BASIC/DILUTED EPS	(0.08)	(0.009)

**7. AUDITOR'S REMUNERATION**

	2013-2014	2012-2013
AUDIT FEES	17500	17500
TAX AUDIT FEES	-	-
OTHER SERVICES	-	-
<b>TOTAL</b>	<b>17500</b>	<b>17500</b>

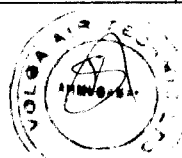
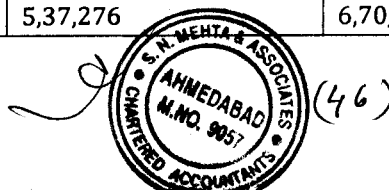
8. No Managerial Remuneration is paid during the year previous year(NIL)

9. Contingent Liabilities not provided for in the books of accounts are under:

( I ) The Company has a various matter for different years and pending with different forum of sales tax authority. Total demand of Rs.96.598 lacs for which the appeals are pending with various forum of Sales Tax department, details of which are given below:

(a) Sales Tax Department completed assessment for the years 96-97,97-98,98-99,99-2000 and demanded Sales Tax, Interest and Penalty as under.

A.Y	ASSESSED SALES TAX (Rs.)	INTEREST (Rs.)	PENALTY (Rs.)	TOTAL (Rs.)	FORUM WHERE DISPUTED IS PENDING
1996-1997	17,90,591	20,50,236	10,74,354	49,15,181	Tribunal
1997-1998	12,08,954	10,65,569	7,03,961	29,78,464	Tribunal
1999-2000	5,58,621	5,37,276	6,70,344	17,66,241	Tribunal



For these years appeals are pending. The Company has made provision are assessed sales tax. However no provision for interest & penalty is made since the company shall make application to BIFR (Since Company is already registered with BIFR).for relief from payment of Interest & penalty. Company has applied to Govt. of Gujarat as per G.R. No. BFR/ (HPC)/102009/435690/P dtd. 15.7.2010 for reliefs such as waiver of interest and penalty.

(b) The PF authorities levied damages Rs.562444 & penalty interest Rs.56769 for delayed payment of PF for the period from MARCH 2002 to JULY 2003. However, the Company has approached the higher authorities for waiver of damages as was done in the past. Hence, no provision is made for the same.

(10) There is no amount due to small scale Industrial undertakings/units.

( 11 ) Certain Unclaimed credit balances & unrecoverable amounts from customers with whom settlements has been made by the Company for lesser payment or which in the opinion of the management in not payable or non-recoverable outstanding Debit balance i.e. (Debit/Credit Balances) are written off during the year and net amount is treated as expenses/income during the year.

(12) Financial data as on 31<sup>st</sup> March 2014

Due to continuous loss incurred by the Company the financial data is as under

PARTICULARS	IN RS.
(1) PROFIT DURING THE YEAR	(631816)
ACCUMULATED LOSSES	184594404
(2) TOTAL CURRENT ASSETS	624628
TOTAL CURRENT LIABILITIES	11375919

(13) The Financial data for further information are given above. The Company has incurred cash loss during the current year. Moreover has suspended production from 22.11.2009 & has relieved all the staff members from 28.02.2010. On the basis of these facts are based on Accounting Standards issued by ICAI in our opinion the Company is not "GOING CONCERN". However accounts are prepared on "GOING CONCERN" basis on the basis of legal opinion obtained by Company.

FOR,S.N MEHTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REG NO 106306W

*S.N Mehta*

(S.N MEHTA)  
Proprietor  
M.NO 9057



FOR & ON BEHALF OF BOARD OF  
DIRECTORS

*M.S Bhalavat*

M.S BHALAVAT  
CHAIRMAN & MANAGING  
DIRECTOR

*A.J Shah*  
A.J SHAH  
(DIRECTOR)

*S.R. Shah*  
MRS.S.R SHAH  
(DIRECTOR)

PLACE:-AHMEDABAD  
DATE :-20.08.2014

PLACE:-AHMEDABAD  
DATE :- 20.08.2014

(47)

**VOLGA AIR TECHNICS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013	
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax	- 631,816 .00		- 70844 .00
<u>Adjustments for:</u>			
Interest income	- 35,148 .00	- 44214 .00	
Other non-cash charges (specify)		- 523,073 .00	
Net unrealised exchange (gain) / loss	- 35,148 .00		- 567,287 .00
Operating profit / (loss) before working capital changes	- 666,944 .00		- 638,131 .00
<u>Changes in working capital:</u>			
<u>Adjustments for (increase) / decrease in operating assets:</u>			
Inventories			
Trade receivables			
Short-term loans and advances	- 3515 .00		-4642462
Long-term loans and advances	415 .00		-24073
Other current assets			
Other non-current assets			
<u>Adjustments for increase / (decrease) in operating liabilities:</u>			
Trade payables	19911 .00	-4642462	
Other current liabilities	- 20630 .00	-24073	
Other long-term liabilities			
Short-term provisions			
Long-term provisions			
Cash flow from extraordinary items	- 3819 .00		- 4656198 .00
Cash generated from operations			
Misc expense/Income written off (foreign exchange effect)	35148 .00		44214 .00
Net income tax (paid) / refunds			523073 .00
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>=635635 .00</b>		<b>4727042 .00</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from sale of long-term investments		1500000 .00	
-Other sale of FD			
Sale of non current Investment	40110 .00		
Loans realised			
-Other		21340 .00	
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>40110 .00</b>		<b>1521340 .00</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long term Borrowings	340906 .00	3171148 .00	
Repayment of long term Borrowings			
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>340906 .00</b>		<b>3171418 .00</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>- 254,619 .00</b>		<b>- 34,284 .00</b>
Cash and cash equivalents at the beginning of the year	607457 .00		641741 .00
Cash and cash equivalents at the end of the year	352838 .00		607457 .00
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	<b>- 254,619 .00</b>		<b>- 34,284 .00</b>

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

AS PER REPORT OF EVEN DATE

For, S.N. MEHTA & ASSOCIATES

Chartered Accountants

FIRM REG NO. 106306W

For, S.N. MEHTA M.NO 009057

Proprietor

Place : Ahmedabad

Date : 20.08.2014



For and on behalf of the Board of Directors

M.S Bhalavat  
Chairman & Managing Director

A.J SHAH  
Director

Place : Changodar

Date : 20.08.2014

S.R.Shah

Mrs. S.R Shah  
Director



**VOLGA AIR TECHNICS LIMITED**  
**CIN: L99999GJ1993PLC019296**

**REGISTERED OFFICE**  
Plot No.472 &478, Village Changodar, Ta; Sanand, Dist. Ahmedabad

**ATTENDANCE SLIP**

(Please Complete this Attendance Slip, and hand it over at the entrance of the meeting hall.)

I, hereby record my presence at the 21<sup>st</sup> Annual General Meeting of Volga Air Technics Limited to be held on 29<sup>th</sup> September, 2014 at Plot No.472 &478, Village Changodar, Ta; Sanand, Dist. Ahmedabad

Signature : \_\_\_\_\_

Folio No.: / Client ID \_\_\_\_\_

Name of the Shareholder: \_\_\_\_\_

**VOLGA AIR TECHNICS LIMITED**  
**CIN: L99999GJ1993PLC019296**

**REGISTERED OFFICE**  
Plot No.472 &478, Village Changodar, Ta; Sanand, Dist. Ahmedabad

**FORM NO. MGT-11**  
**PROXY FORM**

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

CIN: L99999GJ1993PLC019296

Name of the company: VOLGA AIR TECHNICS LIMITED

Registered office: Plot No.472 &478, Village Changodar, Ta; Sanand, Dist. Ahmedabad

Name of the member (s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No/Client ID \_\_\_\_\_

DP ID: \_\_\_\_\_

I/we, being the member (s) of \_\_\_\_\_ shares of Volga Air Technics Limited, 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 : \_\_\_\_\_

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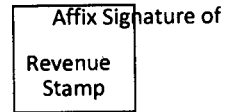
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21<sup>ST</sup> Annual general meeting of the company, to be held on 29<sup>th</sup> September, 2014 at Plot No.472 &478, Village Changodar, Ta; Sanand, Dist. Ahmedabad at 12 Noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. Appoint a director in place of Mr. Mahendra Bhalavat [DIN 00139078] who retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration.
4. Appointment of Mr. Mahendra Bhalavat [DIN 00139078] as Managing Director for three years.
5. Appointment of Mr. Atul J Shah [DIN 00139604] as Independent Director for five years.
6. Appointment of Mrs. Swetaben R. Shah [DIN 00139860] as Independent Director for five years.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

shareholder Re. 1/- \_\_\_\_\_



Signature of Proxy holder(s) \_\_\_\_\_

Note : The form duly completed should be deposited at the Registered Office of the Company at Plot No.472 &478, Village Changodar, Ta; Sanand, Dist. Ahmedabad, not later than 48 hours before the time of the meeting.

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