

16th Annual Report

2007-2008

ASME "U" STAMP
AUTHORIZED COMPANY
MEMBER-HTRI-USA



PATELS AIRTEMP (INDIA) LIMITED



**PATELS AIRTEMP (INDIA) LIMITED
SIXTEENTH ANNUAL REPORT 2007-2008**

BOARD OF DIRECTORS : Shri Narayanbhai G. Patel : Chairman & Managing Director
Shri Devidas C. Narumalani : Whole Time Director
Shri Narendra G. Patel : Whole Time Director
Shri Prakash N. Patel : Whole Time Director
Shri Umakant G. Majmudar : Director
Shri Natwarlal J. Patel : Director
Shri Rajendra Kumar Wadher : Director
Shri Hareshkumar I. Shah : Director

STATUTORY AUDITORS : Parikh & Majmudar
Chartered Accountants,
Ahmedabad.

BANKERS : Bank of Baroda
Navrangpura Branch
Ahmedabad.

REGD. OFFICE : 5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station,
Navrangpura,
Ahmedabad - 380 009.

BRANCH 302, Oberoi
Chambers-II
New Link Road,
Oshiwara, Andheri(w)
Mumbai - 400 053.

WORKS : **Unit-III**
Plot - 805-806,
Rakanpur, Tal.: Kalol,
Dist.: Gandhinagar (Gujarat)

Unit-IV
Plot 807-810,
Rakanpur, Tal.: Kalol,
Dist.: Gandhinagar.

REGISTRARS & SHARE TRANSFER AGENTS M/s. Pinnacle Shares Registry Pvt. Limited
Regd.. Office : Nr. Ashoka Mills,
Naroda Road, Ahmedabad - 380 025
Tele. No. (079) 22204226/22200582-22200338,
Fax No. (91) (079) 22202963



PATELS AIRTEMP (INDIA) LTD.

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Saturday the 27th September, 2008 at 10.00 a.m. at the Registered Office of the Company at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and approve the payment of final dividend.
3. To appoint a director in place of Shri Natwarlal Patel, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Shri H.I. Shah, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if, thought fit, to pass with or without modifications, the following resolutions :

As an Ordinary Resolution:

“RESOLVED THAT Shri Rajendra Kumar Wadher be and is hereby appointed as a Director of the company pursuant to Section 257(1) of the Companies Act, 1956, subject to retirement of directors by rotation.”

7. As an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the increase of salary of Shri Devidas C. Narumalani, as Whole Time Director of the Company from Rs.80,000/-p.m. to Rs.1,25,000/- p.m. and other perquisites and benefits the terms and conditions including remuneration as set out in the explanatory statement annexed hereto for the period from 1.4.2008 to 13.7.2009.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said increase in remuneration without the matter being referred to the Company in General Meeting, so long as, it does not exceed the limits specified under part II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Devidas C. Narumalani and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

8. As an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the increase of salary of Shri Narendra G. Patel, as Whole Time Director of the Company from Rs.80,000/-p.m. to Rs.1,25,000/- p.m. and other perquisites and benefits the terms and conditions including remuneration as set out in the explanatory statement annexed hereto for the period from 1.4.2008 to 31.7.2010.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said increase in remuneration without the matter being referred to the Company in General Meeting, so long as, it does not exceed the limits specified under part II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Narendra G. Patel and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

9. As on Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the increase of salary of Shri Prakash N. Patel, as Whole Time Director of the Company from Rs.80,000/-p.m. to Rs.1,25,000/- p.m. and other perquisites and benefits the terms and conditions including remuneration as set out in the explanatory statement annexed hereto for the period from 1.4.2008 to 31.5.2010.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said increase in remuneration without the matter being referred to the Company in General Meeting, so long as, it does not exceed the limits specified under part II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Prakash N. Patel and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

10. As a Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the increase of salary of Shri Narayanbhai G. Patel, as Managing Director of the Company from Rs.80,000/-p.m. to Rs.1,25,000/- p.m. and other perquisites and benefits the terms and conditions including remuneration as set out in the explanatory statement annexed hereto for the period from 1.4.2008 to 13.7.2011.



RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said increase in remuneration without the matter being referred to the Company in General Meeting, so long as, it does not exceed the limits specified under part II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Narayanbhai G. Patel and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

By Order of the Board

Place : Rakanpur
Date : 14th June, 2008

NARAYANBHAI G. PATEL
Chairman & Managing Director

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business item set out in the notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 15th September, 2008 to Saturday the 27th September, 2008 (both days inclusive).
4. Members are requested to :
 - (i) notify promptly the change in their registered address, if any, to the Registrar and Share Transfer Agent M/S. Pinnacle Shares Registry Pvt. Ltd., Ahmedabad quoting folio number, if the shares are held in physical form and to their Depository Participants, if the shares are held in demat form.
 - (ii) Bring their copy of the Annual Report and the attendance slip duly filled in with them for attending the meeting. Demat holders are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
 - (iii) Approach the Registrar & Share Transfer Agent for consolidation of folios, if physical shareholdings are under multiple folios.
 - (iv) Address their questions/queries in writing to the Company, desirous of obtaining any information concerning the accounts and operation of the company, so as to reach at least seven days before the date of the meeting.
5. Those shareholders who have not encashed their dividend warrant for the financial year 2006-07 and Interim Dividend for the year 2007-08 are advised to submit their claim to the Registrar / Company immediately quoting their folio numbers. The Unpaid / Unclaimed Dividend for the year 2006-07 will become due for transfer to Investor Education & Protection Fund Account in October / November, 2014. Once the unclaimed dividend is transferred to the fund, no claim shall lie against the fund or the Company in respect of the individual amount which remain unclaimed or unpaid.

6. All documents referred to in the accompanying notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of Annual General Meeting.
7. The Company's Shares have been activated for dematerialization both with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Those shareholders who wish to hold shares in electronic form may approach their Depository Participants. The existing ISIN No. of the Equity Shares of the company is INE082C01024.
8. Company has appointed M/S. Pinnacle Shares Registry Pvt. Ltd., Regd. Office : Nr. Ashoka Mills, Naroda Road, Ahmedabad – 380025 Tele. No. (079) 22204226/22200582/22200338, Fax No. (079) 22202963, E-mail Address : investor.service@psrpl.com.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**Item No. : 6 Ordinary Resolution :**

Shri Rajendra Kumar Wadher, aged 47 years is an Investment Consultant and Security Broker, is holding Membership of Calcutta Stock Exchange and Director of PRB Securities Pvt. Ltd. Which is a member of Bombay Stock Exchange Ltd. and National Stock Exchange Ltd.. He has vast experience of about more than twenty years in the Security Market and as an Investment Consultant.

The Board considered his association as a Director of the company in the interest of the company. The Additional Director appointed by the Board will vacate his office pursuant to Section 260 of the Companies Act, 1956 at the Annual General Meeting and his name has been proposed for appointment as required under the provisions of Section 257 of the Companies Act, 1956. Requisite individual notice(s) along with prescribed deposit have been received by the Company proposing his name for appointment as director of the company.

Item No. : 7 Ordinary Resolution :

The Board of Directors at their meeting held on 30th April, 2008 increased the remuneration of Shri Devidas C. Narumalani, Whole Time Director from Rs.80,000/- p.m. to Rs.1,25,000/- p.m. in the interest of the company with effect from 1.4.2008 to 13.7.2009. On the remuneration as determined and approved by the Remuneration Committee of the Board of Directors, the Board recommended the remuneration as given below:

I. **PERIOD:** From 1.4.2008 to 13.7.2009.

II. REMUNERATION:

(A) **Salary:** Rs.1,25,000/- per month including Dearness and other allowances.

(B) **Perquisite:** Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule XIII to the Companies Act, 1956.

- (i) Housing – Rent-free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
- (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
- (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.



- (iv) Leave travel concession for self and members of his family as per rules of the company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance premium as per the rules of the Company.
 - (vii) Provision of car and telephone at residence. The expenditure on use of car for private purpose and long-distance calls on telephone shall be billed by the Company to the appointee.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of the company.
 - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the company.
- (C)** The Board shall have the authority to alter or vary the terms of appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personnel within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- (D)** In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) and perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Section 198 of the Companies Act, 1956.
- (E)** The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (F)** The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- (G)** The appointment may be terminated by either party giving to the other party three months' remuneration in lieu thereof.

Your directors therefore, recommend the resolution for approval of the members.

As per the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company accorded by Ordinary Resolution is necessary for holding office of Wholetime Director of the Company on remuneration.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Devidas C. Narumalani, himself may be considered as interested in the passing of this resolution.

Item No. : 8 Ordinary Resolution :

The Board of Directors at their meeting held on 30th April, 2008 increased the remuneration of Shri Narendra G. Patel Whole Time Director from Rs.80,000/- p.m. to Rs.1,25,000/- p.m. in the interest of the company with effect from 1.4.2008 to 31.7.2010. On the remuneration as determined and approved by the Remuneration Committee of the Board of Directors, the Board recommended the remuneration as given below:

I. PERIOD : From 1.4.2008 to 31.7.2010.

II. REMUNERATION:

(A) Salary: Rs.1,25,000/- per month including Dearness and other allowances.

(B) Perquisite: Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule XIII to the Companies Act, 1956.

- (i) Housing – Rent-free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
- (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
- (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
- (iv) Leave travel concession for self and members of his family as per rules of the company.
- (v) Fees of clubs subject to maximum of two clubs.
- (vi) Personal Accident Insurance premium as per the rules of the Company.
- (vii) Provision of car and telephone at residence. The expenditure on use of car for private purpose and long-distance calls on telephone shall be billed by the Company to the appointee.
- (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of the company.
- (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the company.

(C) The Board shall have the authority to alter or vary the terms of appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personnel within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.

(D) In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) and perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Section 198 of the Companies Act, 1956.

(E) The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.



(F) The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.

(G) The appointment may be terminated by either party giving to the other party three months' remuneration in lieu thereof.

Your directors therefore, recommend the resolution for approval of the members.

As per the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company accorded by Ordinary Resolution is necessary for holding office of Wholtime Director of the Company on remuneration.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Narendra G. Patel, himself may be considered as interested in the passing of this resolution.

Item No. : 9 Ordinary Resolution :

The Board of Directors at their meeting held on 30th April, 2008 increased the remuneration of Shri Prakash N. Patel Whole Time Director from Rs.80,000/- p.m. to Rs.1,25,000/- p.m. in the interest of the company with effect from 1.4.2008 to 31.5.2010. On the remuneration as determined and approved by the Remuneration Committee of the Board of Directors, the Board recommended the remuneration as given below:

I. PERIOD: From 1.4.2008 to 31.5.2010.

II. REMUNERATION:

(A) **Salary:** Rs.1,25,000/- per month including Dearness and other allowances.

(B) **Perquisite:** Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule XIII to the Companies Act, 1956.

- (i) Housing – Rent-free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
- (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
- (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
- (iv) Leave travel concession for self and members of his family as per rules of the company.
- (v) Fees of clubs subject to maximum of two clubs.
- (vi) Personal Accident Insurance premium as per the rules of the Company.

- (vii) Provision of car and telephone at residence. The expenditure on use of car for private purpose and long-distance calls on telephone shall be billed by the Company to the appointee.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of the company.
 - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the company.
- (C) The Board shall have the authority to alter or vary the terms of appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personnel within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- (D) In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) and perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Section 198 of the Companies Act, 1956.
- (E) The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- (F) The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- (G) The appointment may be terminated by either party giving to the other party three months' remuneration in lieu thereof.

Your directors therefore, recommend the resolution for approval of the members.

As per the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company accorded by Ordinary Resolution is necessary for holding office of Wholetime Director of the Company on remuneration.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

Shri Prakash N. Patel, being appointee and Shri Narayanbhai G.. Patel being relative, are concerned as interested directly in the business of passing this resolution as it relates to the individual and being relative of the appointee. No other directors are interested or concerned in the above resolution.

Item No. : 10 Special Resolution :

The Board of Directors at their meeting held on 30th April, 2008 increased the remuneration of Shri Narayanbhai G. Patel, Managing Director from Rs.80,000/- p.m. to Rs.1,25,000/- p.m. in the interest of the company with effect from 1.4.2008 to 13.7.2011. On the remuneration as determined and approved by the Remuneration Committee of the Board of Directors, the Board recommended the remuneration as given below :



I. PERIOD: From 1.4.2008 to 13.7.2011.

II. REMUNERATION:

(A) Salary: Rs.1,25,000/- per month including Dearness and other allowances.

(B) Perquisite: Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule XIII to the Companies Act, 1956.

- (i) Housing – Rent-free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
- (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
- (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
- (iv) Leave travel concession for self and members of his family as per rules of the company.
- (v) Fees of clubs subject to maximum of two clubs.
- (vi) Personal Accident Insurance premium as per the rules of the Company.
- (vii) Provision of car and telephone at residence. The expenditure on use of car for private purpose and long-distance calls on telephone shall be billed by the Company to the appointee.
- (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of the company.
- (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the company.

(C) The Board shall have the authority to alter or vary the terms of appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personnel within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.

(D) In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) and perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Section 198 of the Companies Act, 1956.

(E) The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.

(F) The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.

(G) The appointment may be terminated by either party giving to the other party three months' remuneration in lieu thereof.

Your directors therefore, recommend the resolution for approval of the members.

As per the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company accorded by Special Resolution is necessary for holding office of Managing Director of the Company on remuneration.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

Shri Narayanbhai G. Patel, being appointee and Shri Prakash N.. Patel being relative, are concerned as interested directly in the business of passing this resolution as it relates to the individual and being relative of the appointee. No other director is interested or concerned in the above resolution.

For PATELS AIRTEMP (INDIA) LTD.

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

Registered Office :
5th Floor, Kalpana Complex,
Near Memnagar Fire Station,
Navrangpura,
Ahmedabad – 380 009.

Date : 14th June, 2008.

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 VII A of the Listing Agreement)

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	Directorship held in other Public Limited Companies	Member / Chairman of Committees in other Public Limited Companies
Shri Natwarlal J. Patel	1.6.1951	30.3.2003	Professor of Economics	M.A. (Economics)	Nil	Nil
Shri H. I. Shah	18.10.1946	29.10.2005	Businessman	B.E. (Mech.)	Nil	Nil
Shri Rajendra Kumar Wadher	8.3.1961	27.10.2007	Investment Advisor	B.Com(Hons.)	Nil	Nil



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Sixteenth Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

Particulars	2007-08	2006-07
Sales and Other Income (Including Excise Duties)	6188.47	4713.11
Profit before Interest and Finance Charges, Depreciation & Taxes	960.12	544.32
Less : Interest & Finance Charges	127.30	119.10
Depreciation	62.55	60.60
Profit before Taxation	770.27	364.62
Provision for Taxation - Current	240.00	104.00
- Fringe Benefit Tax	3.90	2.46
- Deferred	0.95	(0.19)
- Wealth Tax	0.07	0.09
- Short /(Excess) Provision of FBT of earlier year W/O	2.95	1.58
Profit after Tax	522.40	256.68
Less Prior Period Adjustment	0.94	2.91
	521.46	253.77
Balance brought forward from previous year	644.74	505.29
Less Corporate Dividend Tax	12.93	8.62
Less Interim	25.35	0.00
Less Proposed Dividend	50.70	50.70
Less Transfer to General Reserve	55.00	55.00
Surplus carried forward to Balance Sheet	1022.22	644.74
Earning Per Share	10.28	5.01

DIVIDEND

Your Directors has approved the payment of interim dividend @ 5% and recommended final dividend @ 10% making total dividend of 15% for the year 2007-08. The Corporate Dividend Tax works out to Rs.12.93 lacs.

PERFORMANCE

Your company continued to post good performance during the year. Its domestic sales increased by 30.79% being Rs. 5947.67 lacs as against Rs. 4547.46 lacs export sales increased by 30.99% being Rs. 128.78 as against Rs.98.31 lacs and processing charges increased by 186.39% being Rs.55.13 lacs as against 19.25 lacs in the previous year. It may be clarified that in the current year sales includes job processing income (Net) of Rs. 55.13 lacs, which does not include the cost of raw materials, which are supplied by the parties. Again, it is relevant to note that the Profit before Tax jumped up by 111.25% being Rs. 770.27 lacs in the year under review as compared to Rs. 364.62 lacs in the previous year. The net profit of the company increased by 105.48% being Rs. 521.46 lacs as against Rs. 253.77 lacs in the previous year. Thus, in terms of earnings, the position has improved in the year under review.

The Product Range of the Company are ASME "U" Stamp Vessels & Heat Exchangers, Pressure Vessels, Columns Shell & Heat Exchanger, Finned Tube Heat Exchanger, Air Cooled Heat Exchanger Ventilation Units, Exhaust Air Units, Refrigeration & HVAC Equipments, HVAC Systems and Ventilation & Air Washer Plants which are supplied to leading Refineries, Steel, Copper, Aluminium & Automobile Plant, Fertilizers & Chemicals Plants, Textiles and Paper Industries, Refrigeration & Air Conditioning units etc.

FUTURE PROSPECTS

For each industry confirmed orders are significant for determining the growth rate of the Company and your Directors are pleased to inform that the company has about Rs. 54.85 crores of orders are on hand as on June, 2008. Your Directors are confident of achieving 35% increase in the turnover of the company in the financial year 2008-09 as compared to financial year under review. Your Company has achieved satisfactory performance during the year under review and the financial results reflect the same.

The Board of Directors of the Company firmly believes that with huge Government spending into Oil and Gas Sector, Fertilizer Sector, Capital Goods and Infrastructure Sector and recent Government foray into Nuclear Power Sector there is immense scope of growth of your Company. In the past, your Company had successfully executed several orders of Nuclear Power Corporation of India. Once the Nuclear deal being operational, we are hopeful to get sizeable orders from the Nuclear Power Projects.

HUMAN RESOURCES

At your Company, employees continue to be the key driving force of the organization and remain a strong source of our company. We believe in aligning business priorities with the aspirations of employees leading to the development of an empowered and responsive human capital. We strive to create a work environment, which encourages innovation and creativity.

Through our strong Employer Brand, we were able to attract more than 200 employees to the company who have become part of our existing competent and committed workforce. Appropriate measures are being planned by the company to ensure talent retention and employee engagement.

Your Company continued to support learning and development initiative to enhance the functional as well as behavioral competencies of our people. Our performance management system is primarily based on competencies and values. We closely monitor growth and development of top talent in your company, to align personal aspirations with the organization purpose.

DEPOSITS

The Company has not invited / accepted any deposits from the public under the provisions of Section 58A of the Companies Act, 1956 and rules made there under.

DIRECTORS

Shri Rajendra Kumar Wadher was appointed as Additional Director on the Board effective from 27.10.2007 and will hold office till the ensuing Annual General Meeting. Separate notice(s) pursuant to Section 257 of the Companies Act, 1956 have been received from member proposing his candidature at the ensuing Annual General Meeting. The Board is of the opinion that, his experience will benefit the Company and hence, the Board recommends his appointment. Shri Natwarlal Patel and Shri H.I. Shah, retires by rotation and being eligible offers themselves for the reappointment.

The particulars of the directors retiring by rotation are given in the notice / explanatory statement of the accompanying notice. Shri Bhupendra Patel ceased to be directors of the company w.e.f. 27th October, 2007. The Board wishes to place on record his sincere appreciation for the valuable contribution made by the outgoing Director during his association with the Company.

CORPORATE GOVERNANCE

The report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed herewith.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the Company for the year under review ;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities ;
- (iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

AUDITORS

M/S. Parikh & Majmudar, Chartered Accountants, Ahmedabad, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter to the effect that their appointment would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. The said auditors will be re-appointed as auditors of the Company at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

Your Directors request you to appoint Auditors for the current year as set out in the accompanying notice of the Annual General Meeting.

Regarding remark in Auditors Report Note No. 1(xi) (e) of Schedule 21 for non provision of leave encashment as required by AS 15, Board has to state that it is difficult to estimate accurate leave encashment expenses every year as the same is dependent on various factors. The Management has not provided for leave encashment and decided to follow cash system of accounting of leave encashment.

PERSONNEL

There is no employee drawing remuneration for which information is required to be submitted under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, hence not given.

CONSERVATION OF ENERGY

The main source of energy is power. However, power is not a major input in the manufacturing process and therefore, no substantial conservation of energy is possible. Again the Company is not required to give the particulars in the prescribed Form A under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The particulars as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Research & Development and Technology Absorption are given in Annexure to this report.

FOREIGN EXCHANGE EARNINGS & OUTGO

The information on foreign exchange earning and outgo during the year is furnished in the Notes to the Accounts.

APPRECIATION

Your Directors wish to place on record their deep appreciation of the continued support and guidance provided by the Central and State Governments and all Regulatory bodies.

Your Directors also take opportunity to thanks the esteemed shareholders, customers, business associates, Financial Institutions and Commercial Banks for the faith reposed by them in your Company and its management.

Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their support in the future as well.

For and on behalf of the Board of Directors,

Place : Rakanpur
Date : 14th June, 2008

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of Particulars with respect to Technology Absorption and Research & Development as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Form – B

Technology Absorption

(1) Research & Development (R & D)

The Company has established a well equipped R & D laboratory and quality control laboratory with the number of sophisticated instruments for testing and analysis related to the product being manufactured, the expenditure of which are accounted for separately and fulfilled all the requirements for manufacturing of 'U' Stamp Vessels and Heat Exchangers due to these upgradation in technology, which meet present global requirement. Your Company has the 'U' Stamp authorization is valid for further two years.

(2) Technology Absorption, Adaptation & Innovation

- i. The company has adopted the latest technology in its designing of Air Cooled Heat Exchanger and Specialised Finning Machine had been imported. This has improved the product quality and plant efficiency. The technology for designing and manufacturing of Air Cooled Heat Exchanger was obtained from M/S. TEK – FINS INC. U.S.A.
- ii. The technology has following benefits over the commercial technology:
 1. Imported and efficient product quality.
 2. For very good business prospects in future.
- iii. For updating Heat Transfer Technology Company became the member of HTRI (Heat Transfer Research, Inc., U.S.A.).
- iv. The company has procured "MICRO PROTOL" software by which drawing can be generated with data input which will save the drawing time and also personnel time involved in drawing.
- v. The company has procured "EHT" (ENHANCED HEAT TRANSFER) by which company can economies the size of equipment and make our product competitive compared to other manufacturers in the industry.

For and on behalf of the Board of Directors,

Place : Rakanpur
Date : 14th June, 2008

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR



**CORPORATE GOVERNANCE REPORT
(Pursuant to Clause 49 of the Listing Agreement)**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. The Company in pursuance of Code of Corporate Governance strongly believes that it must organize its affairs to the optimum satisfaction of its members and also ensure that the interest of lenders, suppliers, customers and employees are well taken care of. Our governance practices are a product of self-desire, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process.

The Company in pursuance of Code of Corporate Governance, strongly believe that it must organize its affairs to the utmost satisfaction of all the concerned. The Company believes that the governance norms originating in the stock market institutions as an integral part of its Corporate Governance Philisophy should be respected both in letter and spirit. The Company endeavor to ensure transparency, control and accountability, in all areas of its operations.

2. BOARD OF DIRECTORS

The names and category of Directors on the Board as on 31st March, 2008 and as on the date of this report, the number of Directorship and Committee Membership held by them in other Public Companies, their attendance at the Board Meetings held during the financial year 2007-08 and also at the last AGM held is given below :

Name of the Directors	Attendance Particulars		Nos. of Directorship and Committee Membership / Chairmanship held in other Public Companies		
	Board Meeting	Last Annual General Meeting	Other Directorship	Committee Membership	Committee Chairman
Promoter Executive Directors					
1. Shri Narayanbhai G. Patel MD	6	Present	-	-	-
2. Shri Devidas C. Narumalani #	6	Absent	-	-	-
Executive Directors					
3. Shri Narendra G. Patel #	5	Present	-	-	-
4. Shri Prakash N. Patel #	5	Present	-	-	-
Non Executive Directors					
5. Shri Natwarlal J. Patel	6	Absent	-	-	-
6. Shri Umakant G. Majmundar	6	Present	-	-	-
7. Shri Bhupendra Patel**	3	Absent	-	-	-
8. Shri H.I. Shah	6	Present	-	-	-
9. Shri Rajendra Kumar Wadher +=	1	Absent	-	-	-
MD – Managing Director # WTD – Whole Time Director	** Ceased to be Director w.e.f. 27.10.2007 += Appointed as Aditioinal Director w.e.f. 27.10.2007				

During the financial year 2007-08, six Board Meetings were held Viz. on 4th May, 2007, 20th June, 2007, 29th June, 2007, 30th July, 2007, 27th October, 2007, and 28th January, 2008.

As required by Clause 49 VI A of the Listing Agreement, the particulars of Directors seeking re-appointment are given in the accompanied notice portion.

3. AUDIT COMMITTEE

The audit committee was constituted on 30th March, 2003 which comprises three independent Non – executive Directors viz. Shri Umakant G. Majmundar (Chairman), Shri Bhupendra J. Patel, Shri Natwarlal J. Patel, and one Executive Director Shri Narayanbhai G. Patel as members. Due to resignation tendered by Shri Bhupendra J. Patel the Committee was reconstituted and Shri H. I. Shah, an independent director has been inducted in place of Shri Bhupendra J. Patel vide resolution dated 27th October, 2007. The terms of reference of Audit Committee are to cover the matters specified under Clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956 and the functions of the Committee that inter alia include the overview of the Company's financial reporting processes, review of the half yearly and yearly financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal audit function cover.

4. REMUNERATION COMMITTEE

The Board of the Company has constituted Remuneration Committee as per Clause 49 of the Listing Agreement on 30th March, 2003 which comprises of three independent and non – executive Directors Viz. ; Shri Umakant G. Majmundar, as the Chairman of the Committee and Shri Bhupendra J. Patel and Shri Natwarlal J. Patel as members of the Committee. Due to resignation tendered by Shri Bhupendra J. Patel the Committee was reconstituted and Shri H. I. Shah, an independent director has been inducted in place of Shri Bhupendra J. Patel vide resolution dated 27th October, 2007. The Remuneration Committee has been constituted to recommend / review the remuneration package of the Managing and Whole Time Directors based on performance and detailed criteria and also empowered to decide on Employees' Stock Option Scheme. At present, the terms of remuneration of Executive Directors are appraised by the shareholders at the General Meeting. The Committee has been asked to review the remuneration payable to Executive Directors in line with the industry levels. No sitting fees, remuneration or stock options has been offered to the Non- executive Directors.

DETAILS OF REMUNERATION PAID TO MANAGING DIRECTOR / WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2007-08 IS GIVEN BELOW :

(in Rupees)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Shri Narayanbhai G. Patel	10,75,200/-	NIL	10,75,200/-
Shri D.C. Narumalani	10,75,200/-	NIL	10,75,200/-
Shri Narendra G. Patel	10,75,200/-	NIL	10,75,200/-
Shri Prakash N. Patel	10,75,200/-	NIL	10,75,200/-

5. INVESTORS' GRIEVANCE COMMITTEE

In compliance with the Corporate Governance Code, the Company has constituted the Investors' Grievance Committee on 30th March, 2003 by constituting the Share Transfer Committee as the “**Share Transfer – cum – Investors' Grievance Committee**”. The scope of the committee was extended to include overview of all matters connected with Investors Grievance and redressal mechanism of members such as, dematerialization, transfer / transmission of shares, non- receipt of Annual Report / dividends etc. beside the function of the share transfer approval etc.. The minutes of the Committee Meetings were placed at the Board Meetings from time to time. The Committee oversees the performance of M/S. Pinnacle Shares Registry Pvt. Ltd., the Registrar and Share Transfer Agent of the Company and recommends measure to improve the level of investor related services. Though the powers to approve share transfer / transmission have been delegated to the Registrar and Share Transfer Agent and also to Shri Narayanbhai G. Patel, Chairman & Managing Director of the Company for quick action.

The Committee comprises of three independent Directors ; Shri Natwarlal J. Patel (Chairman), Shri Umakant G. Majmundar & Shri Bhupendra J. Patel and Chairman & Managing Director Shri



Narayanbhai G. Patel, as members. Mr. K. R. Shah acts as compliance Officer for the Committee. Due to resignation tendered by Shri Bhupendra J. Patel the Committee was reconstituted and Shri H. I. Shah, an independent director has been inducted in place of Shri Bhupendra J. Patel vide the resolution dated 27th October, 2007. The Committee meets now at every month to approve transfer and also to consider shareholders complaints.

During the year two complaints were received from the shareholder directly. All the complaints have generally been solved to the satisfaction of complainants and no complaints are outstanding as on date of this report.

All valid transfer received during the financial year 2007-08 have been acted upon by the Company and there is no pending share transfers.

6. GENERAL BODY MEETINGS

Date, time and venue where Annual General Meetings / Extra Ordinary General Meetings were held in last three years.

Financial Year Passed	Date and Time	Venue	Special Resolution
2004-05 13th AGM	24th September, 2005 at 10.00 A.M.	805-806, Rakanpur- 382 721, Via. : Sola – Bhadaj Village, Tal. : Kalol, Dist. Gandhinagar, Gujarat.	No
2005-06 14th AGM	23rd September, 2006 at 10.00 A.M.	805-806, Rakanpur- 382 721, Via. : Sola – Bhadaj Village, Tal. : Kalol, Dist. Gandhinagar, Gujarat.	Yes
2006-07 15 th AGM	28 th September, 2007 at 10.00 A.M.	5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	No

No Extra Ordinary General Meeting was held during last three years. The Company has passed through Postal Ballot Ordinary Resolution under Section 293(1)(a) authorizing the Board to sale, lease or create such mortgage and/or charge up to Rs.50/- Crores and passed Special Resolution under Section 146(2) of the Companies Act, 1956 for shifting Registered Office of the Company from Rakanpur to Ahmedabad. Mr. Ashish C. Doshi, Company Secretary appointed as the scrutinizer and both the resolutions were passed by 601506 votes in favour and nil votes against the resolutions. The result of the same was announced on 23rd September, 2006 at the 14th Annual General Meeting of the Company.

7. DISCLOSURES

- There are no material transactions with its promoters, directors or the management, their subsidiaries or relatives, except as given in Notes on Accounts, which may have potential, conflict with the interest of the Company at large.
- No penalties have been imposed on the Company by the Stock Exchange/s or SEBI or any statutory authority, on the matter related to capital market during the last three years.

8. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results were taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirements of Clause 41 of the Listing Agreement. These were published in the newspaper as per the prescribed guidelines. The results are not displayed on website and are not sent individually to the shareholders. The Management Discussion & Analysis Report forms a part of this Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting :

Date : Saturday, the 27th September, 2008

Time : 10.00 a. m.

Venue : Registered Office : 5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.

b) Financial Calendar : The Company follows April – March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter, however, the result for the fourth quarter are clubbed with the declaration of audited results within three months of the year, whenever possible.

c) Book Closure Date(s) : Monday the 15th September, 2008 to Saturday, the 27th September, 2008 (both days inclusive). Record Date for ascertainment of payment of final dividend for the year 2007-08 is 13th September, 2008.

d) Listing on Stock Exchange : The equity shares of the company is listed on the Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company has paid the listing fees for the year 2008-09 to the Bombay Stock Exchange Ltd., Mumbai.

e) Stock Code / Name : BSE 517417 Script Name : PATEL AIRTEM

ISIN No.: The ISIN No. of the company is INE082C01024.

f) Stock Market Price / Data : The details of monthly high / low price of the Company's Shares traded on the Mumbai Stock Exchange during the financial year 2007-08 is furnished below:

Month	High Price (Rupees)	Low Price (Rupees)
April 2007	40.85	30.20
May 2007	40.00	33.35
June 2007	47.00	30.00
July 2007	51.00	34.45
August 2007	43.75	33.75
September 2007	71.40	38.70
October 2007	93.95	53.00
November 2007	96.70	74.00
December, 2007	118.90	78.50
January, 2008	145.80	82.15
February, 2008	89.70	66.00
March, 2008	72.00	41.45

g) Registrar & Share Transfer Agents : In terms of SEBI Circulars dated 27.12.2002 & dated 12.02.2003 on appointment of common agency for share registry works, the Company has appointed the below mentioned agency as Registrar & Share Transfer Agent, for both physical and demat segment of equity shares of the company with effect from 1st April, 2003, Which provides all shareholders related services : **M/S. Pinnacle Shares Registry Pvt. Ltd.**, Near Ashoka Mills, Naroda Road, Ahmedabad – 380 025, Phone Nos. : (079) 22204226 / 22200582 / 22200338, Fax No. (91) (079) 22202963. E-mail Address : investor.service@psrpl.com

h) Share Transfer System : The transfer of shares in physical form is processed and completed by M/S. Pinnacle Shares Registry Pvt. Ltd. Within a period of 30 days from the date of receipt thereof. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through the respective Depository Participants. Demat requests are normally confirmed within an average period of 21 days from the date of receipt.



i) (a) Distribution of Shareholding as on 31st March, 2008

Nos. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	4773	86.77	663497	13.09
501 to 1000	331	6.02	278707	5.50
1001 to 2000	157	2.85	245712	4.84
2001 to 3000	70	1.27	181291	3.57
3001 to 4000	34	0.62	126608	2.50
4001 to 5000	30	0.55	146023	2.88
5001 to 10000	43	0.78	315969	6.23
10001 and Above	63	1.14	3112433	61.39
Grand Total	5501	100.00	5070240	100.00

(b) Category of Equity Shareholders as on 31st March, 2008

Particulars	Nos. of Holders	% of Total	Nos. of Shares held	% of Total
Promoters (Directors & Relatives)	20	0.36	1733223	34.19
Bodies Corporates	169	3.07	691169	13.63
FII	2	0.04	61000	1.20
NRI / OCB	43	0.78	40506	0.80
Trust	1	0.02	200	0.00
Public	5266	95.73	2544142	50.18
Grand Total	5501	100.00	5070240	100.00

i) **Dematerialisation of Shares** : The Company's shares are under demat mode. The ISIN No. of the Company is INE082C01024. Members who are desirous of holding their shares in demat form are requested to apply to their Depository Participants in prescribed demat requisition form along with original share certificates. About 95.93% of the total equity capital of the Company is held in demat form as on 31st March, 2008.

j) **Plant Location(s)** : The Company's two plants are located at :

Unit – III Plot 805-806, Rakanpur Tal. : Kalol Dist. Gandhinagar	Unit – IV Plot No. 807 -810, Rakanpur Tal. : Kalol Dist. Gandhinagar	Project Division 5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.
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k) **Address for Correspondence** : For both physical & Electronic form :

M/S. Pinnacle Shares Registry Pvt. Ltd.
Regd. Office : Near Asoka Mills
Naroda Road, Ahmedabad – 380 025.
Phone Nos. (079) 22204226 / 22200582 / 22200338
Fax No. (079) 22202963, E-mail address : investor.service@psrpl.com

l) For any assistance regarding dematerialization of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

Patels Airtemp (India) Ltd.
Regd. Office : 5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura,
Ahmedabad – 380 009.
Ph. No. : (079) 27913694/5/6, Fax No. (079) 27913693

m) As required by Clause 49 of the Listing Agreement with the stock exchange the Auditors' Certificate on Corporate Governance is given as Annexure to this report.

Corporate Governance Compliance Certificate

To
The Members
Patels Airtemp (India) Limited

In accordance with Clause 49 of the Listing Agreement entered into by Patels Airtemp (India) Limited with the Bombay Stock Exchange Limited, Mumbai, We have examined all relevant records of the Company relating to its compliance of conditions of Corporate Governance as stipulated in Clause 49 for the financial year ended 31st March, 2008.

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the SEBI guidelines, listing agreement and other applicable laws. Our responsibility is to carry out an examination, on the basis of our professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.

We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification and have been provided with such records, documents, certificates, etc. as had been required by us.

The Company is in the process of laying down a Risk Management Policy and Procedures thereof and therefore we are unable comment on the same.

We certify that from the records produced and explanations given to us by the Company for the purposes of this certificate and to the best of our information, the Company has complied with all the mandatory requirement of the said Clause 49 of the listing agreement.

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 14th June, 2008

Hiten M. Parikh
Partner



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is engaged in the manufacture and sale of extensive range of Heat Exchangers such as Shell & Tube type, Finned tube type and Air cooled Heat Exchangers, Pressure Vessels, Air-conditioning and Refrigeration equipments and Turnkey HVAC Projects in India & marketing of equipments even outside India. The Company has technical collaboration with M/S. TEK FINS Inc. USA for design and manufacture of Air cooled Heat Exchangers. All these products are supplied to leading Industrial Sections like Power Projects, Refineries, Fertilizers, Cements, Petrochemicals, Pharmaceuticals, Textile and Chemical Industries.

With the highly innovative environment, the Company could sustain its sales even in cutthroat competition and the prevailing market conditions.

PRODUCT – WISE PERFORMANCE

The Company is operating in one segment i.e. engineering fabrication having different products, such as Heat Exchangers, Pressure Vessels, Air-conditioning & Refrigeration Equipments, Turnkey HVAC projects and other misc. products, the turnover of which are given in Notes on Accounts portion of the Annual Report. Your company has decided to stick to high value added engineering products. These products are regularly procured by the Industrial Process Plants / Units. These products has ASME 'U' Stamp authorization, it is expected to improve profitability of the company in the future. For updating Heat Transfer Technology, Company has become member of HTRI (Heat Transfer Research, Inc, U.S.A.).

The Product Range of the Company are ASME "U" Stamp Vessels & Heat Exchangers, Pressure Vessels, Columns Shell & Heat Exchanger, Finned Tube Heat Exchanger, Air Cooled Heat Exchanger Ventilation Units, Exhaust Air Units, Refrigeration & HVAC Equipments, HVAC Systems and Ventilation & Air Washer Plants which are supplied to leading Refineries, Steel, Copper, Aluminium & Automobile Plant, Fertilizers & Chemicals Plants, Textiles and Paper Industries, Refrigeration & Air Conditioning etc.

EXPORT PERFORMANCE

During the year under review the company has effected exports to the tune of Rs. 128.78 lacs. The Company is expected to perform better results in the exports in the year 2008-09 compared to the exports achieved during the year 2007-08.

FUTURE OUTLOOK

For each industry confirmed orders are significant for determining the growth rate of the Company and your Directors are pleased to inform that the company has about Rs.54.85 crores of orders are on hand as on June, 2008. Your Directors are confident of achieving 35% increase in the turnover of the company in the financial year 2008-09 as compared to financial year under review. Your Company has achieved satisfactory performance during the year under review and the financial results reflect the same.

The Board of Directors of the Company firmly believes that with huge Government spending into Oil and Gas Sector, Fertilizer Sector, Capital Goods and Infrastructure Sector and recent Government foray into Nuclear Power Sector there is immense scope of growth of your Company. In the past, your Company had successfully executed several orders of Nuclear Power Corporation of India. Once the Nuclear deal being operational, we are hopeful to get sizable orders from the Nuclear Power Projects.

OPPORTUNITIES

Export in the developed countries like USA & Europe is to be developed and it is expected to provide large impetus to engineering exports to these countries after obtaining the ASME 'U' Stamp Authorisation. Your company is preparing itself to meet the increased demand in the years to come through efficient production management system which will enable to minimize the risk of raw material price fluctuations.

RISK FACTORS

The industry is facing stiff competition from big players who are producing on large scale production and have the advantage of economise in cost, facing challenges from cheaper imports and the industry is also facing risks from unorganized sector particularly from the marketing in the state and nearby states which have major thrust on Air-conditioning and Refrigerator parts. However, Your Company does not foresee any risk due to its concentration on quality commitment for better products and prompt after sales and service. The Government of India's measures to curb cheaper imports imposing anti dumping duties and other restrictions will give much needed relief to the domestic industry.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND ITS REVIEW

Your company will achieve better results on account of huge budget allocations and Government spending into Oil and Gas Sector, Capital and Infrastructures Sector and recent initiative into Nuclear Power Sector and overall growth in GDP of the country to improvement in the economic scenario and overall growth of the industries due to moderate rain and all round growth of other sectors.

Your company is conscious that order booking is significant for determining the growth rate of the company. Your Directors are pleased to note that the company has about . 54.85 crores of order on hand to be executed. Your Directors are confident of achieving 35% increase in the turnover of the company in the financial year 2008-09 as compared to financial year under review. Your company has achieved better performance during the year under review and the financial results reflect the same.

QUALITY CONTROL

The Company features its achievements to adherence to strict quality standards. This has been achieved through our efforts to strike the balance between resources and technology to develop products at same level in excellence with international standards. The quality standard is taken care from the initial stage of production to ensure high end product quality.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control system in operation commensurate with the size and nature of its business for enduring efficiency of operation and protection of Company's assets. The Audit Committee formed by the company review on periodical basis the compliance with the Company's policies, procedures and prevailing laws.

INDUSTRIAL RELATION & HUMAN RESOURCES

To praise the sophisticated production process, we have a team of experienced workers who are skilled and trained to get best out of it. Regular orientation programs are being conducted by the company wherein workers are directly exposed to the experts, which keep them with the latest technology and development.

The Company's philosophy is to provide to its employees friendly working environment and a performance oriented work culture. The company believes that human resources are important asset for giving Company a competitive edge in a competitive environment.

The Company's relations with the employees at all levels are very cordial and peaceful. The company has about 200 employees working with them as on 31st March, 2008 on permanent as well as contractual basis.

CAUTIONARY STATEMENT

The statement given in this report, describing the Company's objectives, estimates and expectations and future plans may contribute towards forward looking statement within the meaning of applicable laws and / or regulations. Actual performance may differ materially from those either expressed or implied.



AUDITORS' REPORT

To

The Members

M/s PATELS AIRTEMP (INDIA) LIMITED

AHMEDABAD

- 1) We have audited the attached Balance Sheet of **M/s PATELS AIRTEMP (INDIA) LIMITED** as at 31st March 2008 and also the Profit and Loss A/c and the Cash-flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the companies Act 1956, we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable.
- 4) Further to our comments in the Annexure referred to in paragraph-3 above, we report as under: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 the books.
 - (c) The Balance Sheet and the Profit and Loss Account & Cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion **Subject to Note No.1(xi) (e) of schedule 21 regarding non provision of Leave Encashment** the Balance Sheet, Profit & Loss Account & Cash Flow Statement comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors of the company are disqualified as on March, 31 2008 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, **subject to Note No.1(xi)(e) of schedule 21 regarding non provision of Leave Encashment as required by AS 15 issued by Institute of Chartered Accountants of India & Consequential effects on the profits of the company and cumulative effects on the liability of the company (amount not quantifiable)** the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India. :-
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2008 and
 - ii) In the case of the profit and loss account, of the profit of the company for the year ended on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
HITEN M. PARIKH
PARTNER
M. No. : 40230**

PLACE : AHMEDABAD

DATE : 14/06/2008

Referred to in Paragraph 3 of our report of even date

- i)
 - a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) As explained to us, a major portion of the fixed assets has been physically verified by the management during the year in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company & nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - c) According to the information and explanation given to us, Fixed assets disposed off during the year were not substantial and there fore do not affect the going concern assumption.
- ii)
 - a) As explained to us, inventories were physically verified by the management at reasonable intervals during the year.
 - b) In our opinion & according to the information & explanations given to us, the procedure of physical verification of inventories followed by the management were reasonable & adequate in relation to the size of the company & nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the Physical stocks and the book records were not material.
- iii)
 - a) In respect of loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has granted interest bearing loan to one party covered under register maintained u/s 301 of the Companies Act, 1956 during the year. [closing balance is Rs. NIL] [Maximum balance during the year is Rs. 67.88 Lacs.] The company had granted interest free loan in the past to one party whose balances at the beginning of the financial year was Rs. 14.63 lacs. The company has received back the loan in its entirety during the financial year.
 - b) In the opinion and according to the information and explanation given to us, that terms and conditions of the unsecured loan granted by the company to parties covered under the register maintained under section 301 of the Companies Act 1956 is prima facie not prejudicial to the interest of the Company.
 - c) The principal amount in respect of the afore said loan has been received during the year.
 - d) The company has taken Unsecured Loan from one party covered under register maintained u/s 301 of the Companies Act, 1956 [closing balance Rs. 81.00 lacs] [Maximum balance during the year Rs. 81.00 lacs]
 - e) In our opinion and according to the information and explanation given to us, the rate of interest & other terms and conditions of the unsecured loan taken by the company from the parties covered under the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
 - f) The Loan taken by the Company is repayable on demand and therefore the question of over due amount does not arise.
- iv) In our opinion & according to the information & explanations given to us, there are adequate internal control system commensurate with the size of the company & nature of its business for the purchase of inventory, fixed assets & also for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in Internal control systems.
- v) In our opinion & according to the informations & explanations given to us, there are no contracts or arrangements the particulars of which need to be entered in the register required to be maintained u/s 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from the public during the year.



- vii) The Company has appointed a firm of Chartered Accountants for Internal Audit. In our opinion, the internal audit is commensurate with its size & nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- ix) a) According to the records of the company, undisputed statutory dues including provident fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess & Other Statutory dues have been generally regularly deposited during the year with the appropriate authorities. According to the information & explanation given to us, no un-disputed amounts except Sales Tax of Rs. 1.09 lacs were outstanding as at 31st March 2008 for a period of more than six months from the date of becoming payable.
b) According to the information and explanation given to us, the Company has no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi) According to information & explanations given to us, the company has not defaulted in repayment of dues to financial Institutions & Banks.
- xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities.
- xiii) According to the information & explanations given to us, the company is not a chit fund or a nidhi /mutual benefit fund/society.
- xiv) According to the information & explanations given to us, the company is not dealing or trading in shares, Securities, debentures & other investments.
- xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the Information & explanations given to us the company has not obtained and /or applied any term loans during the year.
- xvii) On the basis of information and explanations given to us and on the basis of over all examination of the Balance Sheet and the Cash flow Statement of the Company, we report that no funds raised on short term basis have been used during the year for long term investments.
- xviii) The Company has not made any Preferential allotment of shares during the year under review.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS**

**HITEN M. PARIKH
PARTNER
M. No. : 40230**

**PLACE : AHMEDABAD
DATE : 14/06/2008**

BALANCE SHEET AS AT 31ST MARCH, 2008

(A)	SOURCES OF FUNDS	SCH.	As at 31.03.2008 (Rupees)	As at 31.03.2008 (Rupees)	As at 31.03.2007 (Rupees)	As at 31.03.2007 (Rupees)
1.	Shareholder's Funds					
a)	Share Capital	1	50,702,400		50,702,400	
b)	Reserves and Surplus	2	114,722,141	165,424,541	71,474,330	122,176,730
2.	Loan Funds					
a)	Secured Loans	3	48,574,956		42,906,019	
b)	Unsecured Loans	4	8,100,542	56,675,498	-	42,906,019
3.	Deferred Tax Liability (Refer note 5 of Sch 21)			14,543,680		14,448,923
	CAPITAL EMPLOYED			<u>236,643,719</u>		<u>179,531,672</u>
(B)	APPLICATION OF FUNDS					
1.	Fixed Assets	5				
a)	Gross Block		140,473,889		130,610,374	
b)	Less : Depreciation		59,007,967		52,765,303	
c)	Net Block		81,465,922		77,845,071	
d)	Capital Work in Progress		-	81,465,922	1,304,276	79,149,347
2.	Investments	6		280,000		280,000
3.	Current Assets, Loans & Advances					
a)	Inventories	7	59,711,449		40,000,701	
b)	Sundry Debtors	8	170,241,426		102,898,111	
c)	Cash & Bank Balances	9	17,376,407		19,728,926	
d)	Other Current Assets	10	613,197		457,373	
e)	Loans & Advances	11	11,212,780		16,782,128	
			259,155,259		179,867,239	
	Less:Current Liabilities & Provisions	12				
a)	Current Liabilities		94,346,699		72,857,570	
b)	Provisions		9,910,763		7,540,680	
			104,257,462		80,398,250	
	Net Current Assets			154,897,797		99,468,989
4. a)	Miscellaneous Expenditure [to the extent not written off or adjusted]	13		-		633,335
	EMPLOYMENT OF CAPITAL			<u>236,643,719</u>		<u>179,531,672</u>

Notes forming part of Accounts : 21

As per our report of even date attached
FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M.No. : 40230

DATE : 14/06/2008
PLACE : AHMEDABAD

FOR PATELS AIRTEMP (INDIA) LTD.
NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 14/06/2008
PLACE : RAKANPUR



PATELS AIRTEMP (INDIA) LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

	SCH.	Year ended 31-03-2008 (Rupees)	Year ended 31-03-2007 (Rupees)
1. INCOME			
a) Gross Income from Operations	14	613,158,265	466,501,376
Less : Excise Duty		74,104,577	58,530,099
Net Sales		539,053,688	407,971,277
b) Increase/(Decrease) in stock	15	11,522,632	(8,514,197)
c) Other Income	16	5,689,055	4,810,040
TOTAL :-		556,265,375	404,267,120
2. EXPENDITURE			
a) Materials consumed	17	338,255,303	248,768,764
b) Manufacturing Expenses	18	91,389,553	71,095,195
c) Selling and Administration Expenses	19	30,608,938	29,970,867
d) Interest & Financial charges	20	12,729,654	11,910,373
TOTAL :-		472,983,448	361,745,199
3. Net Profit Before Depreciation & Taxation		83,281,927	42,521,921
4. Depreciation		6,255,221	6,060,418
5. Profit Before Taxation		77,026,706	36,461,503
6. Provision for Taxation		24,000,000	10,400,000
- Current tax			
- Fringe Benefit Tax		390,000	245,680
- Deferred Tax		94,757	(18,834)
- Wealth Tax		7,500	8,500
Short Provision of Earlier Year W/O		156,655	157,905
Short /(Excess) Provision of FBT of earlier year W/O		138,261	-
7. Profit After Tax		52,239,533	25,668,252
8. Less :Prior period Adjustments (net) (Refer note no. 17 of Sch. 21.)		93,818	290,739
9. Profit for the year		52,145,715	25,377,513
10. Balance brought forward from Previous Year		64,474,330	50,528,997
		116,620,045	75,906,510
11. Less : Appropriations			
Corporate Dividend Tax		1,292,544	861,940
Interim Dividend		2,535,120	0
Proposed Dividend		5,070,240	5,070,240
Transfer to General Reserve		5,500,000	5,500,000
Balance Carried to Balance Sheet		102,222,141	64,474,330
Basic and Diluted EPS (Price Per Share Rs 10) (Refer Note No 6 of Scheudle 21)		10.28	5.01

As per our report of even date attached
FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M.No. : 40230

DATE : 14/06/2008
PLACE : AHMEDABAD

FOR PATELS AIRTEMP (INDIA) LTD.
NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 14/06/2008
PLACE : RAKANPUR

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-3-2008 (Rupees)	As at 31-3-2007 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised Capital:		
70,00,000 (P. Y. 70,00,000) Equity Shares of Rs. 10/- each	70,000,000	70,000,000
Issued, Subscribed & Paid Up		
50,70,240 (P. Y. 50,70,240) Equity Shares of Rs. 10/- each fully paid up (Refer Note No.8 of Schedule 21.)	50,702,400	50,702,400
TOTAL :-	<u>50,702,400</u>	<u>50,702,400</u>
SCHEDULE - 2 : RESERVE & SURPLUS		
General Reserve		
Opening Balance	5,500,000	0
Add: Transfer from Profit & Loss Account	5,500,000	5,500,000
	<u>11,000,000</u>	<u>5,500,000</u>
Surplus in Profit and Loss A/c	102,222,141	64,474,330
Capital Investment Subsidy	1,500,000	1,500,000
TOTAL :-	<u>114,722,141</u>	<u>71,474,330</u>
SCHEDULE - 3 : SECURED LOANS		
i) From Financial Institutions/Banks		
a) Term Loan from Industrial Development Bank of India (IDBI).	0	23,203,000
b) Working capital facilities from Bank of Baroda (BOB)	46,658,898	17,137,948
ii) From Others		
1,916,058	1,916,058	2,565,071
Vehicles acquired under hire purchase scheme are secured against vehicles purchased under the agreement [Refer Note No.7 of schedule 21]		
TOTAL :-	<u>48,574,956</u>	<u>42,906,019</u>
SCHEDULE - 4 : UNSECURED LOANS		
Inter Corporate Deposits	8,100,542	0
[Includes dues to Company in which directors of the Company are Interested]		
TOTAL :-	<u>8,100,542</u>	<u>0</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
	Op. Bal. as at 01-04-2007 (Rs.)	Additions during the year (Rs.)	Adjustments Deductions during year (Rs.)	Total as on 31-03-2008 (Rs.)	Balance as at 01-04-2007 (Rs.)	For the Year (Rs.)	Deductions during the year (Rs.)	Total as on 31-03-2008 (Rs.)	As on 31-03-2007 (Rs.)	As on 31-03-2007 (Rs.)
Goodwill	37,040	-	-	37,040	-	-	-	-	37,040	37,040
Land	2,642,034	-	-	2,642,034	-	-	-	-	2,642,034	2,642,034
Buildings	29,561,790	5,336,257	1,110,000	33,788,047	10,601,564	1,055,274	1,092	11,566,352	22,221,695	18,960,226
Plant & Machinery	78,812,837	4,300,652	171,169	82,942,320	33,448,384	3,860,444	-	37,448,892	45,493,428	45,364,455
Electrical Installation	3,890,798	249,101	-	4,139,899	1,969,102	189,296	-	2,122,688	2,017,211	1,921,696
Furniture, Fixtures & Office Equip.	8,672,588	1,262,177	3,500	9,931,265	5,165,273	484,094	11,465	5,622,942	4,308,323	3,507,317
Vehicles	6,993,283	-	-	6,993,283	1,580,980	666,113	-	2,247,092	4,746,191	5,412,304
TOTAL :-	130,610,374	11,148,187	1,284,669	140,473,889	52,765,303	6,255,221	12,557	59,007,967	81,465,922	77,845,071
P.Y	121,662,430	8,947,944	-	130,610,374	46,704,885	6,060,418	-	52,765,303	77,845,071	74,957,545

SCHEDULE :- 6 INVESTMENTS (AT COST)

	Face Value (Rupees)	As at 31-03-2008 (Rupees)	As at 31-03-2007 (Rupees)
QUOTED			
(I) 14,000 Equity Shares of M/s. Gujarat State Financial Corporation of Rs.10/- each (Market Value-Not Available P.Y Not Available)	140,000	280,000	280,000
TOTAL :-	<u>140,000</u>	<u>280,000</u>	<u>280,000</u>

NOTE :- Since Quoted Investments are considered as long term investments, any diminution in value of any share is considered to be of a temporary nature & is therefore not provided for.

	As at 31-3-2008 (Rupees)	As at 31-3-2007 (Rupees)
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SCHEDULE - 7 : INVENTORIES

(As taken, valued and certified by a Director)

a) Raw materials [Including Goods In Transit of Rs. 2263184/- (P. Y. Rs. 8177913/-)]	39,246,449	31,058,333
b) Work in progress	20,220,817	8,631,072
c) Finished Goods	244,183	311,296
TOTAL :-	<u>59,711,449</u>	<u>40,000,701</u>

SCHEDULE - 8 : SUNDRY DEBTORS

(Unsecured, Considered goods)

Debts due for a period exceeding Six months	15,089,709	24,223,712
Other Debts	155,151,717	78,674,399
TOTAL :-	<u>170,241,426</u>	<u>102,898,111</u>

SCHEDULE - 9 : CASH AND BANK BALANCES

a) Cash on hand	514,830	424,378
b) Balance with Scheduled Banks		
- In Current Account	4,105,793	8,815,745
- In Margin Money Account	12,412,304	10,368,146
- In Dividend Account	343,480	120,657
TOTAL :-	<u>17,376,407</u>	<u>19,728,926</u>

SCHEDULE - 10 : OTHER CURRENT ASSETS

(Unsecured, Considered goods)

Interest Receivable	613,197	457,373
TOTAL :-	<u>613,197</u>	<u>457,373</u>



	As at 31-3-2008 (Rupees)	As at 31-3-2007 (Rupees)
SCHEDULE - 11 : LOANS & ADVANCES		
(Unsecured, Considered goods)		
Advances recoverable in cash or in kind or for value to be received	7,898,837	9,449,444
Deposits	2,004,168	1,644,699
Advance for Capital Exp.	208,619	0
Advances to suppliers	1,101,156	1,436,594
Intercorporate Deposits	0	4,250,630
(Includes dues from Company in which directors of the Company are interested Rs NIL [P.Y. Rs4250630])		
Fringe Benefit Tax (Net of Advance Tax Paid)	0	761
TOTAL :-	11,212,780	16,782,128
SCHEDULE - 12 : CURRENT LIABILITIES & PROVISIONS		
I) Current liabilities		
Creditors for Goods		
a) Micro, Small & Medium Enterprise (Refer note no 9 of Sch 21)	-	-
b) Others	36,509,865	36,731,209
— Creditors for expenses	12,543,782	7,894,434
— Creditors for Others	1,152,995	1,152,995
— Creditors for capital expenditure	76,648	10,420
— Statutory Liabilities	5,148,580	2,242,301
— Advances from customers	38,532,848	24,665,264
— Share Application Money (Refundable)	38,500	38,500
— Unclaimed Dividend	343,480	122,447
Sub-Total (I)	94,346,699	72,857,570
II) PROVISIONS		
For Taxation (Net of Advance Tax Paid & TDS)	3,851,323	1,600,000
For Proposed Dividend	5,070,240	5,070,240
For Corporate Dividend Tax	861,700	861,940
For Wealth Tax	7,500	8,500
For Fringe Benefit Tax (Net of Advance Tax Paid)	120,000	0
Sub-Total (II)	9,910,763	7,540,680
TOTAL (I+II)	104,257,462	80,398,250
SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
NPV of Interest Differential		
- Opening Balances	633,335	1,179,246
Less : Written off during the year	633,335	545,911
TOTAL	-	633,335

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	YEAR ENDED On 31-3-2008 (RUPEES)	YEAR ENDED On 31-3-2007 (RUPEES)
SCHEDULE - 14 : GROSS INCOME FROM OPERATIONS		
SALES		
- Domestic	594,767,406	454,746,166
- Export	12,877,523	9,830,611
Sub Total (a)	<u>607,644,929</u>	<u>464,576,777</u>
PROCESSING CHARGES		
[TDS Rs. 89222/-, (P.Y.Rs112205/-)]	5513336	1924599
Sub Total (b)	<u>5,513,336</u>	<u>1,924,599</u>
TOTAL : (a+b)	<u><u>613,158,265</u></u>	<u><u>466,501,376</u></u>
SCHEDULE - 15 : INCREASE / (DECREASE) IN STOCK		
Closing Stock		
- Finished Goods	244,183	311,296
- Work - in - Progress	20,220,817	8,631,072
Sub - Total (i)	<u>20,465,000</u>	<u>8,942,368</u>
Opening Stock		
- Finished Goods	311,296	2,169,380
- Work - in - Progress	8,631,072	15,287,185
Sub - Total (ii)	<u>8,942,368</u>	<u>17,456,565</u>
TOTAL (i - ii) :-	<u><u>11,522,632</u></u>	<u><u>(8,514,197)</u></u>
SCHEDULE - 16 : OTHER INCOME		
- Interest		
On Fixed Deposit with Banks	826,047	615,821
[TDS Rs 165541/- (P.Y. Rs 177790./-)]		
from other	322,470	94,349
[TDS Rs 73072/- (P.Y. Rs NIL)]		
- Profit on Sale of Fixed Asset (Net)	106,092	-
- Misc. Receipts	4434446	4,099,870
TOTAL :-	<u><u>5,689,055</u></u>	<u><u>4,810,040</u></u>
SCHEDULE - 17 : MATERIALS CONSUMED		
Opening Stock	31,058,333	36,770,183
Add : Purchases [Including Trading Purchase]	346,443,419	243,056,914
	<u>377,501,752</u>	<u>279,827,097</u>
Less : Closing Stock	39,246,449	31,058,333
[Note: Closing Stock [Including Goods In Transit of Rs. 2263184/- (P. Y. 8177913)]		
Total	<u><u>338,255,303</u></u>	<u><u>248,768,764</u></u>



	YEAR ENDED On 31-3-2008 (RUPEES)	YEAR ENDED On 31-3-2007 (RUPEES)
SCHEDULE - 18 : MANUFACTURING EXPENSES		
Stores & Tools Consumed		
Opening Stock	-	-
Add : Purchases	17,622,461	13,222,348
	<u>17,622,461</u>	<u>13,222,348</u>
Less : Closing Stock	-	-
Sub - Total (a)	<u>17,622,461</u>	<u>13,222,348</u>
Employee's Emoluments		
Salaries, Wages & Bonus	12,518,461	9,856,197
Director's Remuneration	3,840,000	2,760,000
Sitting Fees	13,000	10,500
Key Men Insurance Exp.	1,050,122	1,496,783
Contribution to P.F., Gratuity & Other Funds	1,703,778	1,032,046
Welfare Expenses	875,888	673,825
Sub - Total (b)	<u>20,001,249</u>	<u>15,829,351</u>
Repairs & Maintenance		
To Plant & Machinery	2,503,277	2,255,613
To Building [including office building]	371,386	838,671
To Others	611,248	942,649
Sub - Total (c)	<u>3,485,911</u>	<u>4,036,933</u>
Other Manufacturing Expenses		
Power & Fuel	3,621,415	3,278,536
Provision of Excise duty on closing stock of Finished Goods	(13,269)	(260,327)
Freight & Handling Charges	5,301,382	3,693,732
Packing Material Consumed	898,911	816,370
Labour Charges	36,927,102	26,566,015
Factory Expenses	3,544,391	3,912,237
Sub - Total (d)	<u>50,279,932</u>	<u>38,006,563</u>
TOTAL (a+b+c+d)	<u>91,389,553</u>	<u>71,095,195</u>
SCHEDULE - 19 : SELLING AND ADMINISTRATION EXPENSES		
Rent, Rates & Taxes	538,040	635,793
Printing & Stationery Exp.	981,537	686,355
Postage Exp.	469,583	339,558
Insurance Exp.	180,721	209,520
Telephone Exp.	1,172,688	1,014,909
Auditor's Remuneration	56,180	44,896
Travelling, Conveyance & Vehicle Exp.	4,248,440	3,648,356
Legal & Professional Charges	3,421,486	1,933,748
Advertisement & Publicity Exps.	1,439,787	576,306
Selling & Distribution Exps.	4,438,397	3,550,279
General Expenses	1,722,867	1,595,270
Sales Tax Exp.	1,036,553	332,009
Bad Debts	10,902,659	15,403,868
TOTAL :-	<u>30,608,938</u>	<u>29,970,867</u>
SCHEDULE - 20 : INTEREST & FINANCE CHARGES		
Interest on Term Loan	2,345,078	3,130,733
Interest on Working Capital	2,305,955	3,462,333
Interest to Others	177,839	384,642
Foreign Exchange Fluctuation Loss (Net)	1,572,784	16,458
Premium on Int. reduction written off	633,335	545,911
Other Finance Charges	5,694,663	4,370,296
TOTAL :-	<u>12,729,654</u>	<u>11,910,373</u>

SCHEDULE : 21

1. SIGNIFICANT ACCOUNTING POLICIES

i) METHOD OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with generally accepted Accounting Principles in India & the Provisions of the Companies Act, 1956 and the applicable accounting standards notified under the Companies Accounting Standards Rule, 2006.

ii) RECOGNITION OF INCOME & EXPENDITURE

Revenues/Incomes and costs / expenditures are generally accounted on accrual, as they are earned or incurred. Sales are inclusive of excise duty but exclusive of Sales Tax / VAT collected.

iii) EXCISE DUTY

Excise duty is accounted of the bases of both, payment made in respect of goods cleared and also provision made for goods lying in bonded warehouses. Excise duties in respect of Finished Goods lying in stock are shown separately as an item of Other Manufacturing Expenses.

iv) FIXED ASSETS

(a) Fixed assets are stated at cost (net off of Cenvat & VAT), less accumulated depreciation (other than land and goodwill where no depreciation is charged).

(b) Capital Work in Progress is stated at cost.

(c) Intangible assets are recorded at the consideration paid for acquisition.

v) INVESTMENTS

Current investment are carried at the lower of cost or quoted/fair value. Long Term Investments are stated at cost of acquisition. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

vi) VALUATION OF INVENTORIES

a) Raw materials are valued at cost or net realizable value whichever is lower.

b) Work in progress has been valued at cost of materials and labour charges together with relevant factory overheads.

c) Finished Goods are valued at cost or net realizable value which ever is lower. (inclusive Excise Duty).

d) Goods in transit are valued at cost.

vii) METHOD OF DEPRECIATION

(a) Depreciation on fixed assets (other than land where no depreciation is provided) has been provided on straight line method in accordance with the provisions of section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.

(b) Depreciation in respect of fixed assets put to use during the year is charged on pro-rata basis with reference to the installation of the assets.

(c) No depreciation has been provided on the assets the accumulated depreciation of which exceeds 95% of its cost.

(d) No depreciation has been provided in respect of Capital Work In Progress.

(e) No depreciation has been provided on self generated intangible assets.

viii) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit & Loss Account.

Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates, and unrealized translation differences are included in the Profit & Loss Account.

ix) IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An Impairment loss is charged to the profit and loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

x) TAXATION

- Income –tax expense comprise of current tax, wealth tax, fringe benefit tax (FBT) and deferred tax charge or credit.



- Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- Provision for FBT is made on the basis of fringe benefit provided / deemed to have been provided during the year at the rates and values applicable to the relevant assessment year.
- The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

xi) RETIREMENT BENEFITS

a) Short Term

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

b) Long Term

The company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

c) Defined Contribution Plans

These are the plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period under which an employee perform the services that the payment covers.

d) Defined Benefit Plans

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increase, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining terms i.e. almost equivalent to the average balance working period of employees.

e) Leave Encashment

Leave Encashment is accounted for as and when paid and to that extent there is a contravention of Accounting Standard 15, which has become mandatory. However the quantum of leave encashment payable is not worked out and therefore it is not possible to quantify the effect of the same on Profit & Loss Account.

xii) CONTINGENT LIABILITES/ CONTINGENT ASSETS

- a) Contingent liabilities are disclosed by way of note in the Balance Sheet.
- b) Contingent Assets are neither recognized nor disclosed in the Financial Statements.

ix) PROPOSED DIVIDEND & CORPORATE DIVIDEND TAX

The company has provided Interim Dividend along with corporate dividend tax to the Profit & Loss Account.

Dividend proposed by the Board of Directors along with corporate dividend tax is provided in the books of accounts. Approval in the General Meeting is pending for the same.

2) Contingent Liabilities not provided for:

(Rs in lacs)

	As at 31/03/2008	As at 31/03/2007
Outstanding Bank Guarantees	934.65	666.79
Out standing Foreign Letter of Credit	NIL	77.42

3. RELATED PARTY INFORMATION

The company has transactions with following related parties

- a) **Associates** Themflow Engineers Pvt. Ltd.
Sunrise Fintrade Pvt. Ltd.
- b) **Key Management Personal**
1. Narayanbhai G. Patel
 2. Narendrabhai G. Patel
 3. D.C.Narumalani
 4. Prakashbhai N. Patel

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in Rs.)	Balance at the end of the year
Narayanbhai G.Patel	Chairman & M.D	Remuneration & Contribution to funds	1075200 (772800)	Nil
Narendrabhai G. Patel	Director	— do —	1075200 (772800)	Nil
D.C.Narumalani	Director	— do —	1075200 (772800)	Nil
Prakashbhai N.Patel	Director	— do —	1075200 (772800)	Nil
Sunrise Fintrade Pvt. Ltd.	Associate Concern	Loan given received back	1462548 (NIL)	NIL (1462548)
Themflow Engineers Pvt. Ltd.	Associate Concern	Interest Accrued & paid(not paid)	100542 (211918)	NIL (NIL)
		Interest Received	284430	NIL
		Loan taken	9100542 (7500000)	8100542 (NIL)
		Loan Repaid	10,00,000 (NIL)	
		Loan Given Received Back	9784430 (9706691)	NIL
		Loan Given	8784430 (2788082)	NIL (2788082)

As per the informations given by the management the Company has only one reportable business segment. And hence segment wise information is not given.

4. DEFERRED TAX

The break up of net deferred tax liability as at 31st March, 2008 is as under:

	31-03-08 (Amt. In Rs.)	31-03-07 (Amt. In Rs.)
Deferred Tax Assets		
- Unabsorbed Capital Loss	125711	125711
Sub Total (A) :-	125711	125711
Deferred Tax Liabilities		
- Depreciation difference	14669391	14574634
Sub Total (B) :-	14669391	14574634
Net Deferred Tax Assets /(Liabilities) TOTAL (A-B)	(14543680)	(14448923)



5. EARNING PER SHARE

	31-03-2008	31-03-2007
- Net Profit for the year	52145715	25377512
- Number of Equity Shares	5070240	5070240
Basic & Diluted Earning per Share (Price per share Rs. 10)	10.28	5.01

6. SECURED LOANS

a) Working Capital from BOB

Working Capital facilities from Bank of Baroda is secured by way of hypothecation of raw-materials, stores and spares, work-in-progress of finished goods and book debts of the company both present and future and first charge on company's plant & machinery and factory land and building situated at Plot no. 805, 806, 807, and 810 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and also equitable mortgage on plot no 811 as collateral security and is also personally guaranteed by the Promoters of the company.

7. Vatva Division of the Company is demerged from the company effective from 21st September, 2001 pursuant to Gujarat High Court Order dated 28.8.2003 sanctioning the scheme of arrangement under the provisions of section 391 and 394 of the Companies Act, 1956.

As per the scheme of arrangement, one share of Patels Airflow Limited each of Rs.10 fully paid up has been issued against four equity shares of Rs.10 to the shareholders of the Company. Consequent upon the issue of one share of Patels Airflow Limited, the value of the share of the Company is reduced to Rs.7.50 per share. After the demerger the company has consolidated the face value of its share of Rs.10 and accordingly against every four equity shares of Rs.7.50 fully paid up, three shares each of Rs.10 fully paid is issued and the resultant share capital of the company after demerger is 5070240 equity shares each of Rs.10 fully paid up.

Further the face value of the shares of the company (PAT) was reduced to Rs.7.5 per share and then after consolidated it into shares of Rs.10/-. As a result, the capital of the company is reduced to Rs.5,07,02,400/-.

8. The Company has not received information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosure, if any, relating to amount unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act have not been made.
9. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.
10. Balances of Sundry debtors, Creditors and loans and advances are subject to confirmation from respective parties.
11. Inventories of finished goods costing around Rs. 2.44 Lacs (P.Y Rs 3.11 lacs) are non-moving in nature. However, the management is of the view that they are in good condition and are realizable in ordinary course of business and therefore, no provision is considered necessary in respect of the said non-moving inventories.
12. The recoveries in respect of certain receivables have become sticky/disputed. However, the company has taken appropriate steps including initiation of legal proceedings wherever required for the purpose of recovery of such sticky book debts. Since the company is fairly confident of successfully recovering majority of the said sticky debts, the company has not considered it necessary for making any provision for doubtful debts. The recoveries of certain sticky / disputed receivables have become suspect able and in opinion of the management they becomes doubtful. The management is of the opinion that it is in the interest of the company to write off the same and also the company has taken appropriate steps including initiation of legal proceedings where ever required.

13. MANAGERIAL REMUNERATION

	Year 2007-08 (Rs.)	Year 2006-07 (Rs.)
a) Salaries	38,40,000	27,60,000
b) Contribution to Gratuity & other funds	4,60,800	3,31,200
TOTAL :-	43,00,800	30,91,200

14. EMPLOYEE BENEFIT OBLIGATION

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year is as under :

(Rs.)

	2007-08
Employer's Contribution to Provident Fund	766169

The company has taken defined benefit plan i.e. Employee Group Gratuity Scheme from the Life Insurance Corporation (LIC) of India which provides Gratuity linked to the final salaries and is funded in a manner such that the contribution are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present value of the Company's obligation or the related current service cost as the LIC compute its obligation on its own basis that differ materially from the basis used in the Company's financial statements i.e. the company recognized / charged only the amount paid to the LIC as a contribution towards Gratuity Scheme. The expense recognized in the statement of Profit & Loss, which is equal to the contribution due / paid for the year.

15. AUDITOR'S REMUNERATION

	Year 2007-08 (Rs.)	Year 2006-07 (Rs.)
a) Audit Fees	45680	34396
b) Tax Audit Fees	10500	10500

16. PRIOR PERIOD ADJUSTMENTS

Particulars	As At 31/03/2008 Rupees	As At 31/03/2007 Rupees
Net Operating Expenses/(Income)	93,818	(2,90,739)

17. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 AND 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

(A) Capacities and Production

CAPACITIES Class of Goods	Licensed capacity (in MTS)	Installed capacity (in MTS)
Components Condensers, heat Exchangers, Window/split Acs, Air cooled Heat Exchanger, finned Tube/Fine Tube Bundle/elements.	N.A.	As informed by the Management, the items manufactured are the tailor made and are different in each case and hence, installed capacity is not ascertainable.



PRODUCTION TURNOVER AND STOCKS

	OPENING STOCK		PRODUCTION		TURNOVER		CLOSING STOCK	
	QTY Nos./ Sets	Value W/out E.D. (Rs.)	QTY Nos./sets	QTY Nos./sets	Value (Rs.)	QTY Nos./ Sets	Value With E.D. (Rs.)	
Industrial Fan & Accessories	2 Nos	4708	91 Nos	91 Nos	1449285	2 Nos	4005	
Heat Exchanger	(2) Nos	(16285)	(39) Nos	(39) Nos	(796468)	(2) Nos	(4708)	
	8 Nos	57885	641 Nos	649 Nos	234274808	Nil	Nil	
	(11) Nos	(1157121)	Nil LOT	Nil LOT	(177445231)	(8 Nos)	(57885)	
			1 Set	1 Set				
			(480 Nos)	(483 Nos)				
			(1 LOT)	(1 LOT)				
			(11 Sets)	(11 Sets)				
Steam Coil/	-	-	17 Nos	17 Nos	8289440	-	-	
			Nil Set	Nil Set	(18265040)			
			(35 Nos)	(35 Nos)				
			(1 Sets)	(1 Sets)				
Air Conditioning & Refrigeration	33 Nos	162698	109 Nos.	111 Nos.	111012376	31 Nos	155075	
	(33) Nos	(649910)	4 Sets	4 Sets	(23467833)	(33) Nos	(162698)	
			(87 Nos)	(87 Nos)				
			(6 Sets)	(6 Sets)				
Other plants	-	-	-	-	18026611	-	-	
Equipment's & Accessories	-	-	-	-	(15395262)(*)	-	-	
Compressor & Extra Accessories	1 Nos	8688	-	-	-	1 Nos	8534	
Controls	(1) Nos	(34704)				(1) Nos	(8688)	
Window & Split A/c.	18 Nos	77947	-	480 Nos*	7581991	18 Nos	76569	
Pressure Vessels	(18) Nos	(311360)	-	(146 Nil*)	(2830581)	(18 Nos)	(77947)	
	-	-	59 Nos	59 Nos	42231145	-	-	
			1 Set	1 Set	(62193293)	-	-	
			(52 Nos)	(52 Nos)				
Humidification	-	-	-	-	57207981*	-	-	
Ventilation & Air-cooling plant	-	-	60 Nos	60 Nos	(36448967*)	-	-	
Equipment	-	-	(91 Nos)	(91 Nos)	38488800	-	-	
Finished/Tube / Fine T Bundle/ Elements	-	-	8907 Nos	8907 Nos	(45214880)	-	-	
			(11823Nos)	(11823 Nos)	14977915	-	-	
					(23989123)	-	-	
High efficiency / Axid flow fans	-	-	-	-	-	-	-	
			(- Nos)	(- Nos)	(-)			
Total :-		<u>311296</u>			<u>533540352</u>		<u>244183</u>	
P.Y. :-		<u>(2169380)</u>			<u>(406046678)</u>		<u>(311296)</u>	

- Note :**
- 1) * Quantity is Not Ascertainable.
 - 2) *Include trading sale of 480 Nos. [P.Y. 146 Nos.]
 - 3) Turnover does not includes processing charges received.

CONSUMPTION OF RAW MATERIAL [including trading goods]

Class of Materials	Unit	Year 2007-08		Year 2006-07	
		QTY	Value [Rs.]	QTY	Value [Rs.]
i. Iron & Steel	Kg.	1835184	123929926	Kg. 1754990	89481067
	Nos.	3198	59251188	Nos. 6849	28650849
ii. Non Ferrous[Copper, Allu and Brass Tube]	Kg.	55666	24411615	Kg. 64934	28699778
iii. Non Ferrous Sheet/Plates [Copper / Allu. / Plates]	Kg.	85771	22499775	Kg. 124986	30036072
iv. Electric Motors & Compressors	Nos.	167	2880270	Nos. 188	2889104
v. Pipes/Tubes	Mtrs.	384992	92099011	Mtrs. 302769	60844214
vi. C.I. Castings	Kg.	2582	137004	Kg. 1808	66860
vii. Air Washer and other Equipment (Components)			64986634		47238455
			390195424		287906398
Less : Cenvat & VAT Tax set off			51940121		39137634
Total :-			338255303		248768764
P.Y.			248768764		172664105

(B) Value of imported and indigenous raw-materials, stores and spare parts consumed and percentage thereof

	Year ended 31-03-2008		Year ended 31-03-2007	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw material				
- Imported	18518925	6.36	7648872	3.52
- Indigenous	272498813	93.64	209890618	96.48
Total :-	291017738	100	217539490	100
PREVIOUS YEAR :	(248768764)	(100)	(139141989)	(100)
ii) Stores & Spares				
- Imported	0	0	0	0
- Indigenous	17622461	100	13222348	100
Total :	17622461	100	13222348	100
PREVIOUS YEAR :	(13222348)	(100)	(10504820)	(100)

[C] DETAILS OF TRADING GOODS PURCHASED

PARTICULARS	31.03.2008		31.03.2007	
	Value (Rs.)	%	Value (Rs.)	%
Trading Goods				
- Imported	10812546	22.89	0	0
- Indigenous	36425019	77.11	31229274	100.00
TOTAL:	47237565	100.00	31229274	100.00



PATELS AIRTEMP (INDIA) LIMITED

	Year ended 31.03.2008 (Rupees)	Year ended 31.03.2007 (Rupees)
E) C.I.F. value of Imports		
i) Raw Materials	18518925	9220829
ii) Trading Goods	10812546	0
F) Expenditure in foreign currency		
i) Subscription and Registration Fees	566158	535248
ii) Repairs to Plant & M/c.	Nil	1104275
iii) Foreign Travelling Expenditure	82116	89300
G) Earning in foreign Exchange (FOB Value of Exports)	12877523	9830611
H) Amount remitted during the year in foreign currency in respect of Dividend.	Nil	Nil

18. Previous year's figures have been re-grouped/rearranged wherever necessary so as to confirm to current year's grouping.

19. Information required in terms of part IV of schedule VI to the companies Act, 1956 is attached.

As per our report attached to the Balance Sheet

-: Signatories to Schedules - 1 to 21 :-

PLACE :- AHMEDABAD
DATE :- 14/06/2008

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M. No.: 40230

PLACE :- RAKANPUR
DATE :- 14/06/2008

FOR PATELS AIRTEMP(INDIA) LIMITED

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

Information referred to in note - 18 of Schedule 21 to the Notes on Accounts for the year ended on 31st March, 2008

PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (AS AMENDED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details:

Registration No. State Code
 Balance Sheet Date
 Date Month Year

II Capital Raised During the year(Amount in Rs. Thousands)

Public Issue Right Issue
 Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets
 Sources of Funds
 Paid-up Capital Reserve & Surplus
 Secured Loans Unsecured Loan
 Deferred Tax Liability
 Application of Funds
 Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

IV Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 + - Profit/Loss Before Tax + - Profit/Loss After Tax
 Earning per Share in Rs. Dividend @ %

V Generic Names of Three Principal Products/Services of Company

(As per Monetary Terms) Monetary terms)

<u>Product Description</u>	<u>Item Code No. (ITC Code)</u>
Shell and Tube Heat Exchangers	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/>
Pressure Vessels	<input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/>
Air Conditioners & Refrigeration Equipments	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/>

For PATELS AIRTEMP (INDIA) LIMITED

NARAYANBHAI G. PATEL : Chairman & M. D.
NARENDRABHAI G. PATEL : Director

Place : Rakanpur
 Date : 14.06.2008



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	2007-2008		2006-2007	
	RUPEES	RUPEES	RUPEES	RUPEES
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra Ordinary Items		77,026,706		36,461,503
Adjustments for:				
Depreciation	6,255,221		6,060,418	
Interest expenses	4,828,872		6,977,708	
Interest Income	(1,148,517)		(710,170)	
		9,829,484		12,327,956
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
		86,856,190		48,789,459
Adjustment for:				
Trade and other receivables	(61,929,791)		(7,461,018)	
Inventories	(19,710,748)		14,226,047	
Trade Payable	23,859,212		(11,434,797)	
		(57,147,992)		(4,123,857)
Misc Expenses	633,335		545,911	
CASH GENERATED FROM OPERATIONS		29,708,10		44,665,602
Direct Taxes paid	(24,692,416)		(10,812,084)	
		(24,692,416)		(10,812,085)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		5,015,781		33,853,517
Extraordinary items:				
Prior period adjustments	(93,818)	(93,818)	(290,739)	(290,739)
NET CASH FROM OPERATING ACTIVITIES		4,921,963		33,562,778
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Net of Modvat benefit)	(9,843,911)		(9,470,137)	
Sale of Fixed Asset	1,378,204		0	
Interest Received	1,148,517		418,116	
		(7,317,190)		(9,052,021)
NET CASH USED IN INVESTING ACTIVITIES		(7,317,190)		(9,052,021)

	2007-2008		2006-2007	
	RUPEES	RUPEES	RUPEES	RUPEES
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds/(Repayment) from secured Borrowings	(23,203,000)		(7,419,000)	
Proceeds/(Repayment) from Unsecured Borrowings	8,100,542		(1,731,691)	
Proceeds from Bank borrowings for Deferred payment credits against vehicles (Net of repayment)	29,520,950		(7,378,006)	
Dividend Paid	(8,897,904)		–	
Interest Paid	(4,828,872)		(6,977,708)	
		42,704		(21,625,028)
NET CASH USED IN FINANCING ACTIVITIES		42,704		(21,625,028)
NET INCREASE/(DECREASE) IN CASH AND CASH		(2,352,523)		2,885,729
CASH AND CASH EQUIVELANTS AS AT THE BEGINING OF THE YEAR		19,728,926		16,843,197
CASH AND CASH EQUIVELANTS AS AT THE CLOSING OF THE YEAR		17,376,407		19,728,926

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER

M.No. : 40230
DATE : 14.06.2008
PLACE : AHMEDABAD

FOR PATELS AIRTEMP (INDIA) LTD.
NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 14.06.2008
PLACE : RAKANPUR



PATELS AIRTEMP (INDIA) LIMITED

Regd. Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad – 380 009.

Client ID : _____

LF.No. : _____

DP ID : _____

Nos. of Shares held : _____

ATTENDANCE SLIP

I hereby record my presence at the Sixteenth Annual General Meeting of the Company held at the Regd. Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009 at 10.00 a.m. on Saturday the 27th September, 2008.

FULL NAME OF MEMBER / PROXY (IN BLOCK LETTERS)	
MEMBER'S / PROXR'S SIGNATURE	

- NOTES: 1. You are requested to sign and hand over this attendance slip at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself the proxy form must be deposited at the Registered Office of the Company at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009. not less than 48 hours before the time fixed for holding the meeting.

PATELS AIRTEMP (INDIA) LIMITED

Regd. Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad – 380 009.

Client ID : _____

LF.No. : _____

DP ID : _____

Nos. of Shares held : _____

PROXY FORM

I/We _____ of _____
in the district of _____ being a member/members of the above
named Company hereby appoint _____
of _____ in the district of _____ or
failing him/her _____ of _____
in the district of _____ as my / our Proxy to attend and vote for
me / us and on my / our behalf at the Fifteenth Annual General Meeting of the Company to be held on
Saturday, the 27th September, 2008 at 10.00 a.m. at the Registered Office of the Company and at any
adjournment thereof.

Signed this _____ day of _____ 2008

Signature _____

Affix Revenue Stamp of 1/- Re.

NOTES:

1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

BOOK-POST
(Printed Matter)

To,

If undelivered please return to :



PATELS AIRTEMP (INDIA) LIMITED

Registered Office : 5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad - 380 009.